Daily Report

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Bosnia-Hercegovina

On 26 April, talks were held in Skopje between the Bosnia-Hercegovina Presidency and representatives of the Yugoslav Peoples Army (JNA) on the status of troops in Bosnia-Hercegovina. Although a JNA commander asserted at the beginning of the talks that Army units "will not withdraw from Bosnia-Hercegovina," President Alija Izetbegovic assessed that the talks were the beginning of "a process" that will result "in either the withdrawal of the Army" or "its radical transformation into the armed forces of a single and independent" nation. Branko Kostic, vice president of the SFRY Presidency and a major participant in the talks, noted his view that "the most interesting thing" was that Izetbegovic "did not demand or ask that the JNA leave the territory of Bosnia-Hercegovina." General Blagoje Adzic, speaking after the talks, assessed them as "very useful." He said that "if the three peoples" in Bosnia-Hercegovina "come to an agreement to quickly resolve the status of the new state, there will be no problems whatsoever" regarding the Army.

Romania

Bucharest radio reports that Prime Minister Theodor Stolojan presented an "economic program" to the joint Parliament session in Bucharest on 23 April. The government plan proposes three measures: First, Stolojan states that there is no reason why the parliamentary and presidential elections cannot take place by the end of June 1992. The government and political forces have "pointed out the negative effects" of delaying these elections "for democracy and for democratic reform, and for the social problems faced in the transition to a market economy." Second, he reiterates that the government believes that by "fully implementing" economic and social reform, Romania will be able to "guarantee conditions for an effective allocation of resources..." Finally, "for the products and services that are used by the entire population... prices will increase by 25 percent from the current level of subsidies."

Yugoslavia

Federal—TANJUG reports that in an address to a federal police detachment in Pristina on 24 April, Federal Secretary for Internal Affairs Petar Gracanin pointed out that an important security concern in Kosovo and Metohija is to preserve order and not allow the arming of "any kind of paramilitary formations." He stressed that the conflict in Bosnia-Hercegovina must be stopped and that "one of the main reasons for the present situation" is the Bosnian Government's "tolerant attitude" toward Croatian armed groups whose "annexationist aims are clear to any well-intentioned observer," and which, he says, have been "active for many months" in Bosnia. Gracanin emphasized that Serbs in Bosnia "have every right" to insist on the implementation of "regionalization"—which he says is "an important condition for the preservation of their own national identity"—according to the agreement reached at the EC-sponsored Conference on Bosnia-Hercegovina. He claims that the situation in Bosnia was aggravated because of the "attitude toward the Yugoslav People's Army, which has been consistently portrayed as the army of occupation." According to Gracanin, "the Army will never again agree" to the "humiliation" of being forced into its barracks, and then "thrown out" of "these territories."

Macedonia—The Government of the Republic of Macedonia decided to recognize the Republic of Bosnia-Hercegovina "as an autonomous and independent state" at a session in Skopje on 26 April, TANJUG reports.

Germany's Genscher Continues Official Visit

Holds Talks With Meksi

AU2304161692 Tirana ATA in English 1028 GMT 23 Apr 92

[Text] Tirana, April 23 (ATA)—On April 23, at noon, the Chairman of the Council of Ministers Aleksander Meksi received at the premier's seat the deputy chancellor and foreign minister of the Federal Republic of Germany, Hans Dietrich Genscher, who was on a working and friendly visit to our country. After the exchange of greetings, the Albanian Premier Mr. Aleksander Meksi acquainted Mr. Genscher with the program of the new democratic government and voiced the confidence that Albania will be helped by the German state, as one of its main European partners, in the realization of the difficult tasks the government is facing. He laid the stress on the main fields where the German state might give Albania a precious aid, as in that of mines, oil, agriculture, transport, tourism, etc. He pointed to the contribution Germany might render at such international organisms as the European Community, G-24, the IMF and World Bank. Significant are also the aid the German banks might give to Albania so that to pave the way to investments in our country, Mr. Meksi said. Of great importance, he said, is Germany's support for the Albanian national cause.

On his part, Mr. Genscher voiced Germany's readiness to help Albania with concrete aid in the economic and political fields for the economic and social development of the country. He underscored that the cooperation between our countries will be effective in various fields. "We have major common duties," Mr. Genscher said during his speech and underscored that "I have come to Albania with the good will to help and this aid will be effective."

During the talks, Mr. Genscher took interest in and made many questions on the economic situation at home, agriculture, transport, mines, oil, the trade unions, Albania's relations with various international economic and financial organisations, for which explanations were given by the Chairman of the Council of Ministers Aleksander Meksi and the Minister of Economy and Finances Genc Ruli.

Berisha Asks for Economic Aid

AU2304161892 Tirana ATA in English 1015 GMT 23 Apr 92

[Text] Tirana, April 23 (ATA)—On April 22, at 0915 [0715 GMT], the President of the Republic Mr. Sali Berisha received in his seat the deputy chancellor and foreign minister of Germany Hans Dietrich Genscher. Since the beginning Mr. Genscher conveyed to Mr. Berisha the greetings of President Weizsaecker, Federal Chancellor Kohl, and the entire German people for him and the Albanian people. He underscored that Mr. Sali Berisha's election as president is a victory of democracy in Albania. Likewise, Mr. Genscher voiced the wish that democratic Albania occupies its place in the community of European democracies and to this end, he underscored, you shall have Germany's help for opening the road to the European institutions. We shall help Albania solve its problems and consolidate democracy. On his part, Mr. Berisha expressed to Mr. Genscher the extraordinary high estimation for his personal role, of the Chancellor Kohl, the President Weizsaecker, and of the German state in the European developments. Later on he dwelt on the most worrying issues our country is actually undergoing. The main issue, President Berisha underscored, is the setting up of a democratic state in Albania, which might be integrated in Europe. Among the main issues preoccupying us is the establishment of public order. We are determined in attaining the establishment of public order through a democratic legislation and a reform of the Public Order Ministry and of the judicial power.

President Berisha asked for Germany's support for Albania on the road of admission to the European institutions as in the European Parliament, the European Community, the G-24, and the IMF. We shall strive, the president said, to meet all the conditions and requirements to merit this membership. On his part, Mr. Genscher assured Mr. Berisha that Germany will make all efforts to help Albania integrate in Europe. Albania's place is in Europe, Mr. Genscher underlined.

Yesterday I met with the director of the IMF for Albania, Mr. Berisha said, and I was very happy for the evaluation he made to the program presented by Mr. Meksi's government, defining it as excellent. I rejoice over this fact because this estimation will facilitate the possibility of the friendly countries and European institutions to support us in its implementation.

Except the political support we would be in need of Germany's economic cooperation and direct assistance. The most urgent priorities would be aid for agriculture as well as agricultural machinery. Likewise, another preoccupying issue is transport, which is almost paralysed and is paralyzing economy. We hope that Germany will help us in the field of expertizing the mines. Likewise, a financial aid to procure raw material is very urgent. Later on, Mr. Berisha dwelt on the problem of the other half of the Albanian nation living in Yugoslavia. The president voiced the confidence that, despite the complexity of problems, the European Community and the German Republic will grant the Albanians the right to self-determination.

On his part, Mr. Genscher underscored that Germany has long ago put up before the international community the fact that the peoples of Yugoslavia should have the right to decide by themselves on their future. It is important that the principles of peaceful coexistence be observed, including here also the observation of the existing borders. Likewise, the minorities too should enjoy all their rights.

With regard to your country, none better than we Germans know your problems, because we have the experience of Eastern Germany. We know that the creation of an independent administration is of great importance for the country's development. We shall not spare our assistance for qualification and schooling. With regard to the economic problems, Genscher said, we shall sent a delegation composed of specialists of economy after some days who will discuss concretely with your specialists of the respective fields, so that the aid be more efficient. He assured the president that the future of Albania is in Europe. We do not wish to have the monopoly on Albania for close friendly relations and to support and help you be admitted in various European organisms. You have good friends in Germany and may rely on the German aid.

After the victory, I phoned you up. Now I am expecting you to call me with regard to the problems that might arise.

At the end of the talk, President Berisha thanked Mr. Genscher and underlined that this promised aid is a great encouragement for the Albanians. Likewise, he voiced his desire and of the Albanian people that President Weizsaecker and Chancellor Kohl visit Albania.

Berisha, IMF Representatives Debate Reform Plan

AU2304164692 Tirana ATA in English 0759 GMT 22 Apr 92

[Text] Tirana, April 22 (ATA)—In the meeting the President of the Republic Sali Berisha had on April 21 with the International Monetary Fund [IMF] headed by the director for Albania in this institution Mr. Anoon Singh, they discussed about the difficult situation at home as well as the economic strategy to be followed to come out of this situation. After expressing his gratitude to the International Monetary Fund for the qualified aid it is rendering to the Albanian Government to draft the economic policy, Mr. Berisha asked them to work out a specific program on Albania. He mentioned the abnormal structure of the wages created as well as the great difference between the wages and prices. On his part, Mr. Singh said that the triumph of democracy in Albania opens up vistas to this country to embark onto the road of prosperity. Anyhow, the first years will not be easy. He assessed the program of the government forwarded by Mr. Meksi and said that it is in conformity with the concept of the IMF on the economic reform in Albania. We, he guaranteed, will work with intensity to map out the agreement between the Albanian Government and IMF to be signed by mid-May. This makes way for the agreements with the Group-24 and European Community on the financial aid to Albania. Mr. Singh persisted in lifting the 80 percent and said that the government should take speedy and successive economic measures.

President Berisha said that he completely agreed with the change of the 80 percent law, which is ruining the national economy. He said that he was for granting the previous credits to the peasantry as well as for the liberalisation of the agricultural items in order to increase their income. He demanded from the IMF specialists juridical assistance to review the law on the state enterprises on which many remarks are made by the citizen's trade unions.

Finally, Mr. Berisha thanked once more the delegation and voiced his support for the IMF platform.

Meksi Meets UN Representatives for Refugee Aid

AU2404155192 Tirana ATA in English 0935 GMT 24 Apr 92

[Text] On 23 April, Premier Aleksander Meksi had a meeting with representatives of the UN Supreme Commissariat for the Refugees and of the International Organization for Emigration, Messeur Guignabaudet, Aleksander Kesela, who is also the chairman of the Program of Joint Information for Emigration for Albania as well as Klaudia Ottolenghi, responsible for the program of development and technical cooperation for emigration, for Europe, and the U.S.A.

Among the concrete issues discussed over the meeting were those on the aid that might be given to our country to define the quotas of emigration, temporary employment abroad as well as the conduct of various training courses and new trades in particular.

On his part, Premier Aleksander Meksi stressed the importance of organizing the work for emigration as one of the priorities of the program of the government and asked the senior UN representatives to actively contact the European governments for the creation of the conditions for an organized emigration for our nationals.

The UN senior representatives for emigration promised to render a great contribution to help Albania in this important social field as well.

Counterintelligence Staff Wants Sokolov To Resign

AU2704071192 Sofia DUMA in Bulgarian 22 Apr 92 p 2

[Khari Boev report]

[Text] Our protest and demand for the resignation of Interior Minister Yordan Sokolov and the ministry's leadership are not motivated merely by our personal drama of being used as scapegoats in political struggles governed by short-term interests, states a declaration addressed to the president, all the state institutions, and the media. About 200 dismissed and serving staff of the National Security Service gathered on 21 April in front of the Presidency to hand over the declaration.

The document describes the dangers arising from paralyzing the service's work by unfounded mass dismissals of professional staff in a manner contrary to the law.

When President Zhelev met a delegation that handed over the protest document, he stated that he was calling a meeting with the leadership of the Ministry of Internal Affairs to discuss these issues.

Opposition Demands Sokolov, Ludzhev Resignation

AU2404204192 Sofia BTA in English 1854 GMT 24 April 92

[Text] Sofia, April 24 (BTA)—"We object to persons like Yordan Sokolov (interior minister) and Dimitur Ludzhev (defense minister) remaining in the cabinet as their actions are harmful for Bulgaria's national interests and undermine the dignity and prestige of the Bulgarian Army," it is said in the declaration of the coalition led by the Bulgarian Socialist Party which was read on the National Television this evening. The parliamentary opposition describes the dismissals at the Ministry of the Interior as ungrounded and wrongful and declares itself against the "attacks against the Rakovski Officers Legion and the attempts to outlaw organizations defending the Bulgarian officers' social and professional interests.

Dimitrov Reaffirms Intention To Remove Ludzhev

AU2604124292 Sofia BTA in English 1836 GMT 25 Apr 92

[Text] Sofia, April 25 (BTA)—The cabinet changes are conditioned by the priorities emerging after the passage of the Privatization and Land Acts and with the country's new commitments to the international financial institutions, Prime Minister of Bulgaria Mr. Filip Dimitrov said this evening in an interview for the Bulgarian TV programme "Panorama." In connection with the consultations he has been holding these days on structural and personnel changes in the cabinet, he explained that the structural changes boil down to an increase in the number of ministries and charging the deputy prime ministers with greater coordinating functions and powers. "Preparations for these changes have been going on for a long time now," the prime minister said, "but, as repeatedly emphasized, they will be carried out when the logic of reform requires it. Basically, the team will remain the same," Mr. Dimitrov said, but did not specify the planned personnel changes.

Asked whether his several days' old request for the resignation of Defence Minister Dimitur Ludzhev was final, Mr. Dimitrov answered in the affirmative. "It is the prime minister's job to nominate the ministers and decide how the cabinet team can function in the best way," he said. "This does not imply accusations or reproof to definite ministers but in the final analysis, a ministerial portfolio is not an office but a burden which one shoulders to carry out certain assignments in the most functional way," the prime minister emphasized.

Former Prime Minister Atanasov Arrested

AU2404181392 Sofia BTA in English 1715 GMT 24 Apr 92

[Text] Sofia, April 24 (BTA)—Mr. Georgi Atanasov, former member of the Communist Party Politburo and prime minister of Bulgaria from 1986 to 1990, was taken into police custody today. He was the last head of government under Todor Zhivkov's communist regime.

Mr. Atanasov was arrested on a warrant issued by Prosecutor General Ivan Tatarchev who indicted the ex-premier in the case on the culprits for the economic catastrophe on charges of gross embezzlement of 203,000 leva allocated to the orphans fund. According to Mr. Atanasov, there was no such fund but the money was allocated to support "people left parentless by Bulgarian fascism." As Georgi Atanasov assumed the prime ministership in 1986, the youngest "beneficiary" must have been at least 42 years old.

On conviction, the charge carries between 10 and 30 years imprisonment, confiscation of the defendant's entire property and deprivation of rights.

Two days ago the investigative authorities requested that Mr. Atanasov be granted bail but the Prosecutor General today replaced the restraint by remand in custody as warranted by the seriousness of the crime.

In a letter to BTA which Mr. Atanasov managed to write and sign personally before his arrest he describes the action as a "classic example of a show of force against a person who ventures to speak his mind even when his opinion would backfire and is intended to clear up the actual state of affairs concerning certain circumstances." The accused believes that "the Prosecutor General is involved in dirty play." According to Mr. Atanasov, "the pillars of the state are undermined by the political egoism, irresponsibility and creeping mediocrity of the neofascist forces in Bulgaria."

Yesterday the ex-premier sent BTA another letter blaming Prosecutor Tatarchev for "political high-handedness and moral cynicism, and declaring that "he would accept his responsibility if he had acted wrong."

Parliament Establishes Privatization Agency

AU2404190492 Sofia PODKREPA in Bulgarian 18 Apr 92 p 2

[Tsveta Angelova report]

[Text] The Privatization Agency that was set up on 17 April will be headed by an executive director. Members of parliament approved this during the second reading of the privatization bill.

The agency will have a supervisory council of 11 members. The Council of Ministers will appoint five of them, while the other six will be elected by parliamentary vote. The agency will be an institution under the government, which in practice will manage the privatization process. The supervisory council will set up and approve regional bureaus. It is also delegated powers to elect and dismiss the chief of the agency and to give its blessing to privatization deals.

The members of parliament voted that the executive director should be elected for a four-year term. They rejected the opposition's proposal that he should serve for six months and that his post should be held in rotation by all the members of the council.

Chapter 4 of the privatization bill prohibits all officials of the agency and their families from acquiring property or shares in enterprises that are undergoing privatization during their period of office and for one year subsequently. The ban will also apply to ministers.

The deputies voted to create a so-called mutual fund under the control of the Council of Ministers that will receive 20 percent of the receipts from the stakes obtained and shares issued during the privatization of enterprises (or their monetary equivalent). The money collected will be used to finance social programs.

Tomov Backs Privatization Act With Reservations

AU2404114092 Sofia BTA in English 2213 GMT 23 Apr 92

[Iva Toncheva and Evgeniya Drumeva report]

[Text] Sofia, April 23 (BTA)—Today the Bulgarian parliament passed the privatization bill.

The Privatization Act provides equal opportunities for the participation of juristic and natural persons. Privatization will take place under a one-year programme worked out by the Privatization Agency and approved by the cabinet. The Privatization Agency will be set up with the government, six of the members of its supervision board will be elected by parliament and five will be appointed by the government. Twenty per cent of the interests and shares of the privatized enterprises will go to a special mutual fund. Up to 20 per cent of the shares will be available to company employees at half the government-set prices. Under the Privatization Act, shares in state-owned companies transformed into joint-stock companies are to be sold by flotation of shares, by auctions and after negotiations with potential buyers. With the approval of the finance minister the Privatization Agency may sanction the purchasing of shares and interests by installments. Shares and interests will be available to creditors of the privatized company on a debt-for-equity swap basis with the Privatization Agency's permission. The Privatization Act provides for a 30 per cent reduction in the initial price in cases when the company is auctioned off to the employees.

A special clause was passed today providing for sovereign debt creditors to take part in privatization on a debt-for-equity swap basis which will be regulated by the government.

With this clause parliament does not settle the issue of recognizing the debt of the Bulgarian Foreign Trade Bank as sovereign but makes it possible for the government to apply the debt-for-equity swap method after settling this issue, Mr. Valentin Karabashev MP [member of parliament] of the SDS, rapporteur of the Parliamentary Economic Committee, explained.

Parliament also passed a text under which all participants in privatization will have to sign a declaration on the origin of the funds with which they are taking part in privatization.

"A very good law," Mrs. Zlatka Ruseva, deputy floor leader of the parliamentary group of the ruling coalition of the SDS [Union of Democratic Forces], said after its passing. This law, based on the market principle with several considerable market correctives, will be the basis of real change in Bulgaria, she stressed. It is in line with the platform of the SDS: Property should not be handed out gratuitously. "With this law there is no turning back," was the stand of the SDS.

The law was also approved by BSP MP and prime minister of the shadow government, Aleksandur Tomov. With its support of the new Constitution and this law the Bulgarian Socialist Party proved that it is a changed party," Mr. Aleksandur Tomov stressed. He admitted the great historical delusion of the Socialists, former communists, that the liquidation of private property would eliminate contradictions in society. But Mr. Aleksandur Tomov also made critical remarks and expressed quite a few reservations on the Privatization Act. He said that there was a danger of the bureaucratization of the process of privatization and of corruption, that there were insufficient barriers against speculative capital, that the law does not vest sufficient economic power in a great part of the Bulgarians, that it does not establish preconditions for the emergence of a middle class, and that it underestimates the role of the workers' teams and the trade unions. "If this law is applied formally, without a special privatization programme and without parliamentary control it may destroy this country's economy and turn it into a 'banana republic,'" Mr. Aleksandur Tomov stressed.

The ethnic Turks' Movement for Rights and Freedoms (DPS) backed the Privatization Act. However, Mr. Emil Buchkov MP of the DPS said he shared the fears of Mr. Aleksandur Tomov concerning the difficulties in the establishment of a middle class. Both Mr. Emil Bochkov and Mrs. Zlatka Ruseva stressed in their statements that the shortcomings of the law can be amended by parliament in the future and overcome by exercising strong parliamentary control. "In Bulgaria there is also an independent judicial power," Mrs. Zlatka Ruseva stressed.

Government Approves Debt Reduction for Enterprises

AU2604181292 Sofia DEMOKRATSIYA in Bulgarian 21 Apr 91 p 1

[BTA report]

[Text] On 20 April the Council of Ministers approved a program to reduce the debts and overdue payments of trading associations, companies, and enterprises managing municipal and state property. The debts are greatest in the energy, engineering, food, and tobacco industries.

The reduction of the loan and mutual indebtedness and overdue payments of companies and enterprises is one of the conditions of the IMF and the World Bank for granting new credits.

The government approved a list of enterprises managing state property for which the commercial banks are to implement an insolvency and liquidation procedure.

Government Economists Reject Trade Union Demands

AU2404195992 Sofia BTA in English 1849 GMT 24 Apr 92

[Text] Sofia, April 24 (BTA)—If the government meets the demands of the trade unions, what has been achieved in the field of Bulgaria's economic stabilization can be reduced to naught and in June the country will be facing the same problems it had to cope with in 1990, the chairman of the Coordination and Development Agency with the Council of Ministers, Ventseslav Antonov, told journalists today.

The agency's economists came to this conclusion after analysing the basic macroeconomic indexes until the end of the year. They compared two variants—one of them is consistent with the 1992 national budget which parliament passed, the other one includes the cost of living adjustment of the budget expenditure side proposed by the trade unions—an increase of pensions, minimum working wages and child benefits.

The trade unions insist on something which the economists call a shock to budget expenditure, Mr. Antonov underlined. In his opinion this will cause trouble and have a negative impact on inflation, exchange rates and the country's relations with the international financial institutions. Finally the consequences of the expenditure shock may prove to be disastrous not only for the trade union members but for the whole population, he said.

In Mr. Antonov's view the trade unions are acting in a rational way, but on the other hand if the government is to act rationally too, it must not accept their proposal, at least not in the measure and way it was been made. The government knows how it should act, all the more it will not be assessed by the world judging by its attitude to the trade unions.

Survey Views Attitude Toward Government

AU2404200392 Sofia BTA in English 1827 GMT 24 Apr 92

[Text] Sofia, April 24 (BTA)—The results of a representative sociological survey, conducted by the Marketing and Opinion Polls Institute on April, show that 45 percent of Bulgarians stand for cabinet changes, and another 38 percent specified the ministers who they believe will have to step down. The results were made public this evening by the National Television.

7 percent of respondents consider the whole cabinet should be replaced, for the electorate of the Union of Democratic Forces [UDF] this figure is 33 percent, and for the electorate of the opposition Bulgarian Socialist Party [BSP]—75 percent.

17 percent of respondents support the cabinet as a whole, 26 percent of them are supporters of the UDF and 6 percent—of the BSP.

32 percent of the respondents specifying the ministers who should step down mentioned Finance Minister Ivan Kostov, 19 percent—the Minister of Trade and Industry, Ivan Pushkarov, 18 percent—Defense Minister Dimitur Ludzhev, 6 percent—Interior Minister Yordan Sokolov, and 5 percent—Prime Minister Filip Dimitrov.

Havel Interviewed on Visit to ROK, Presidency

SK2704020792 Seoul CHOSON ILBO in Korean 23 Apr 92 p 4

[Interview with Czechoslovak President Vaclav Havel by Kim Tae-chung, CHOSON ILBO editor-in-chief, in Prague; date not given]

[Text] [Kim] We sincerely congratulate you on your upcoming visit to the ROK and welcome it. President Havel, you are very famous in the ROK because you are an intellectual, not a politician, who stood up to the communist dictatorship, and, in the end, won freedom and democracy. It is also because our country has been politically suppressed and resisted the oppressive rule during the same period but under different circumstances.

First, let me ask you: Why has communism, which came into being as an alternative to capitalism, failed? How can you explain the collapse of communism?

[Havel] The end of communism constitutes an important message to mankind. It means the end of an important age in the history of mankind. Communism symbolizes a blind alley in historical development. It was artificial and forcefully imposed, unnatural, and ran counter to pluralism and diverse ways of living. It was, therefore, not by military force, but by its defiance of the human spirit, life, conscience, and morality that communism was undone.

The question is that such an important message about morality comes only when human civilization is in crisis.

The Western world has long existed against the background of communism. It was thanks to communism that the Western world was able to achieve political unity and security. It should realize that it can no longer afford to be arrogant following the collapse of communism.

[Kim] I understand that the countries in East Europe, including Czechoslovakia, are in the middle of enormous, unprecedented problems as there has never before been a transition from the socialist system to capitalism. You expressed concern about the nomenklatura phenomenon in your New Year's address. Could you please tell us about political instability in transitional Czechoslovakia?

[Havel] The process of privatizing a major part of the economy after having been nationalized has something to do with the social and spiritual system and in the process it causes the entire legal system to be changed. This is a more comprehensive and far-reaching process. At this point, we are faced with the inevitable task of reassessing all values. It was nationalization in name only, but in fact it belong to nobody. It is an unprecedented, difficult process in which we have to attach certain values to everything and distribute everything to the owners by every means. Among these difficult tasks is the horse called bureaucratism that has grown up under the communist system and now stands in the way of our reform. Communism was a convenient banner and an instrument for the bureaucrats. The nomenklatura, which is composed of these bureaucrats, is difficult to break, but we are doing fine.

[Kim] When you received a degree from the Hebrew University in Israel in 1990, you referred to Franz Kafka, the Czechoslovak-born Jewish author, and talked about your own transformation to president. You said you constantly doubted if you should be president. I am not the kind of person who would be surprised if one day I were unexpectedly summoned while in the presidential office and forced to stand before a doctored hearing or taken to a concentration camp where I would be made to break rocks.

Nor am I a person who would be surprised if I were to suddenly awaken in a cell after hearing a scream and tell my fellow prisoners everything that happened to me while in the presidential office. My feelings that the lower my position, the more appropriate for me and that I made some mistakes or did somethings wrong as my position was elevated continue to grow stronger. In the course of performing my duty as president, I have learned by experience that it is my strong point to be able to quit the presidency at any time by appropriate means.

[Kim] Do you still think so?

[Havel] I have always had fundamental doubts about myself as a human being. In a sense, my doubts about myself have motivated me. I think this has affected my literary career as well. I have always questioned my own being, existence, and activities. I think a man of this nature is the most inappropriate for taking public office.

Nevertheless, I have stayed in office for the past two and a half years. This was very dramatic and difficult for me. I say so because serving as president in this era is difficult and because I have had to overcome my personal characteristics.

There are paradoxical elements in this, and various paradoxes have always followed me in my life.

[Kim] From before the so-called "Valved Revolution" until today, you have extensively expressed views on the intellectuals' role and personally put your views into practice.

[Havel] Glucksmann said that intellectuals are Cassandras who foresee and warn of coming fears and inform ordinary people of what is taking place outside. I agree with his opinion. Intellectuals must present a hindrance at all times, be witnesses to the world's ordeals, resist all overt and covert pressures and manipulations, and have doubts about the establishment and authority.

For this very reason, intellectuals cannot adapt themselves to their given roles and have no place in the history written by the victors. By nature, intellectuals do

not belong anywhere, are lonely beings, and are destined to meet failures. In this sense, genuine intellectuals are Sisyphean.

[Kim] All the East European countries are having economic difficulties. Some hasty experts say that it is inevitable for authoritarian but efficient governments to emerge to overcome these economic difficulties. You, Mr. President, have always insisted on civic society and civic politics in which citizens play leading roles. As a result, you are known to be "anti-politics" at times. You, Mr. President, have been in office for more than two years. Do you still reject the necessity of centrally-controlled, efficient authority?

[Havel] Considering the fact that administrative power was centralized to the utmost in our country and that administrative affairs were handled under the tightest system, extensive decentralization of power is surely one of our country's important tasks. Decentralization of power means the recovery of civic spirits and the nurturing of conscientious, moral, and responsible civic spirits. It also means the restoration of the people's basic independence as a basic cell or atom of the social establishment.

However, this is not synonymous with the deterioration of the efficiency of a democratic system. The democratic system or establishment must not be based on dictatorial rule, orders, or threats of punishment but on civic spirit and civic consciousness.

Only when civic consciousness is raised by society, regional governments, central governments, and the global community, can the people's interests be promoted. In other words, the raising of civic consciousness is intended not to reject the authority of the democratic system but to create the natural authority of the democratic system.

[Kim] Let us look at the former Soviet Union and East Europe. Western Europe is now going toward economical and political integration, while East Europe is still trying to adapt itself to the new changes caused by the collapse of communism. How do you think Europe will change in the near future? What role can the new Czechoslovakia play in this process?

[Havel] I cannot elaborate on this now. However, I want to tell you one thing: Czechoslovakia has expressed the hope of joining a European community of democratic, free states.

At a time when Europe's division into two ideological blocs has ended, space for building a new European sphere has opened as well. Such pan-European organizations as the CSCE, the EC, the Council of Europe, and NATO will each play their inherent roles.

All of these organizations are no doubt rethinking their identity and facing new realities. This is a dramatic process in which Europe is trying to find a new, peaceful Europe based on such values as democracy and civic society.

[Kim] The dissolution of the former Soviet Union eventually brought about the emergence of many independent republics. The collapse of the Soviet Union has already affected Yugoslavia.

How will this influence other East European countries and Czechoslovakia?

[Havel] We are avidly observing changes in the former Soviet Union with keen interest because we are neighbors and we had many economic ties with the Soviet Union.

We understand and sympathize with these countries working to become independent. The Soviet Union was a big national prison and it is natural that it should collapse. We hope that this will progress in a peaceful way.

However, the current situation in Azerbaijan and Moldova is indeed a warning sign bringing apprehensions and anxiety. I believe that when the large-scale reform work of the former empire is carried out amid political dialogue it will coincide with the world's interest and Czechoslovakia's fundamental interest.

[Kim] Only four countries—China, North Korea, Vietnam, and Cuba—still adhere to traditional socialism. Do you think that changes can take place in these countries?

[Havel] We cannot prevent changes and know from experience that change has a domino effect. Changes in one country will inevitably encourage similar changes in another country. That was the case in the whole European communist bloc. I believe that in whatever form, it is only a matter of time before these countries become democratized.

[Kim] Mr. President, why did you decide to visit the ROK? What is the principal object of your visit? Also, what are the prospects for economic cooperation with the ROK?

[Havel] We truly respect the ROK's traditions and long history and also its economic development. My visit to the ROK is to consolidate a basis for friendly political relations.

These kinds of relations can of course contribute to strengthening economic cooperation and this should be the case.

I believe that the possibilities are great. Some economic cooperation has already been realized. For example Samsong established a joint venture project in Slovakia. This is one of the large-scale projects with a foreign country in our economic reform work. We hope that countries will invest in our country and expand mutual trade.

[Kim] In conclusion I would like to hear your opinion as to whether you will run again for the presidency. At the federal congress on 14 April you said: "The reason I finally decided to run again for the presidency is not to become president again at any cost or in any situation or condition, but because I want to contribute to a course which has value."

[Havel] As I said, I do not want to become president again out of greed, but as a result of accepting the persuasion and encouragement of the people around me to help our country move toward the goal we have set.

Dumas Promises Pithart Help With EC Membership

AU2404123192 Prague CSTK in English 0646 GMT 23 Apr 92

[Text] Paris April 23 (CSTK correspondent)— Czech Premier Petr Pithart last night praised his talks with French Foreign Minister Roland Dumas Tuesday, stressing his words that it is in the interest of Europe for Czechoslovakia to become a region of calm, prosperity, and stability. Speaking with CSTK, Pithart recalled Dumas's words that Czechoslovakia has the best preconditions for reaching this goal.

Dumas also assured Pithart that France wants the Central European countries to become members of the European Community as soon as they create the necessary conditions, for which France offers a helping hand.

Pithart met with Dumas in the course of his short visit to France (April 21-22) where he addressed an international colloquy on the future of East European countries. Pithart devoted his speech to the post-communist countries' coping with their past.

Calfa Reiterates Support for EC Dam Arbitration

LD2404174892 Prague CSTK in English 1335 GMT 24 Apr 92

[Text] Prague April 24 (CSTK)—Problems of the construction of the hydroelectric project on the Danube at Gabcikovo-Nagymaros are common and have to be solved in accord with the 1977 Czechoslovak-Hungarian agreement, Czechoslovak Premier Marian Calfa says in a letter to his counterpart Jozsef Antall. The letter, handed to CSTK today, replies to a letter of February 26 in which Antall demanded the stoppage of work on the Czechoslovak part of the project. In his letter, Calfa says Czechoslovakia has always considered the agreement with Hungary to be valid.

The joint twin-dam project was launched in 1977 but Hungary halted work on its part at Nagymaros in 1989 under pressure from domestic environmental groups. Czechoslovakia seeks completion of at least its part at Gabcikovo.

Calfa says that since Hungary unilaterally stopped fulfilling its commitments (resulting from the 1977 agreement) on May 13, 1989, it has not submitted any scientifically or technically grounded evidence justifying Hungarian concern about an environmental catastrophe. "I reiterate that the Czechoslovak Government, which was the first to propose establishing a tripartite commission with participation of European Community (EC) experts, is interested in setting up the commission without any preconditions and is ready to act in accord with its conclusions and recommendations", the letter says.

Protest Lodged Over Embassy 'Looting' in Kabul

LD2604172792 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 26 Apr 92

[Text] Following last night's looting of the Czechoslovak Embassy in Kabul, Deputy Foreign Minister Zdenko Pirek presented a strong protest to (Shamsuddin Hakan), charge d'affaires of the Republic of Afghanistan, emphatically demanding that the security of the Czechoslovak Embassy and its employees and property be guaranteed.

At the same time, the Federal Ministry of Foreign Affairs has drawn the attention of the UN Secretariat to this gross violation of an agreement on diplomatic relations and asked it to intervene urgently with the appropriate Afghan bodies.

According to information from the Czechoslovak Embassy in Kabul, all its employees are in good health.

Slovaks Discuss Nuclear Plant, Privatization

AU2404191092 Bratislava NARODNA OBRODA in Slovak 22 Apr 92 pp 1, 13

[Stanislav Tomanek report: "The Law on State Provided Social Support to Come Into Force in 1994"]

[Text] Bratislava— The Slovak Republic Government had 41 items on the agenda of its 88th meeting yesterday. The most interesting ones were the draft closing account of the Slovak Republic's 1991 state budget, draft principles of the Federal Assembly law on state-provided social support, the employment fund, the orientation of Slovak energy production, the privatization of the Prior department stores, and large-scale privatization.

As Slovak Prime Minister Jan Carnogursky said, he learned from the radio that he was to get a list of reporters who collaborated with the State Security. "I expect that I will receive the list and, should this be the case, I will inform the government," he said. The prime minister described the activity of the government in the last year as a harmonious social and peaceful development. The government kept its social orientation and retained democratic atmosphere, it prepared the elections within the given deadline, and created prerequisites for continuing the peaceful development of Slovakia and the republic. "If we look at what we can see on

the television news every evening, then we must say that this was not a negligible performance of this government," Carnogursky said. The Slovak Government agreed in general on the abbreviation for the Slovak Republic press agency. Instead of "TKSR," the government approved an abbreviation that should read "CSTK-SLOVAKIA."

The closing account of the Slovak Republic's 1991 state budget shows the income of 116.9 billion korunas, and expenditures of 127.1 billion korunas. The deficit of 10.2 billion korunas was caused by lower than expected income (8.5 billion korunas) and higher than expected spending (1.8 billion korunas). The deficit was mainly influenced by negative trends in the economy. Regulatory measures adopted by the end of the year were not efficient and did not revert the unfavorable development. The deficit is to be covered by issuing government bonds, settling accounts with the federation, using the Slovak Republic's financial assets, and by reorganizing relations between organizations and the Slovak 1991 state budget. [sentence as published] Regulatory measures taken by the Slovak Republic on 31 March 1991 yielded a budgetary surplus of 1.2 billion korunas.

The government approved a project to study the fundamental reconstruction of the V1 nuclear power station [in Jaslovske Bohunice] and the preparation of a study regarding the introduction of a steam-and-gas [paroplynovy] cycle in the existing facilities in the V1 nuclear power station. The proposed reconstruction includes 81 measures oriented toward technological facilities, fire and seismic resistance, processing of radioactive waste, and safety. Since it seems that Slovakia is too small for utilizing nuclear energy, it should abandon its production after 2010.

According to information provided by I. Miklos, the government approved the sale of seven department stores to the Canadian-U.S. firm K-Mart. Our company Itercounsult estimated their market value at 1.9 billion korunas, and a prominent recognized foreign firm at 1.025 billion korunas only. Finally, we sold the prospering Prior department stores for 1.42 billion korunas.

The Slovak Republic Ministry for Administration and Privatization of National Property will go into the second wave of privatization without Engineer Jozef Rizman, who resigned at his own request. A total of 577 objects will go into the second wave of large-scale privatization.

Minister Wolekova said that the bill on the employment fund anticipates income from the federation's state budget. Another source of income will be fees paid by employees and employers. The bill on state-provided support which should enter into force in 1994 anticipates eight types of benefits. The Slovak Government demands that benefits be extended to people who are unable to care for themselves and who are seriously handicapped. People should be entitled by law to some of the benefits that exist now.

Plant Reconstruction Approved

LD2504154292 Prague CSTK in English 2020 GMT 23 Apr 92

[Text] Bratislava April 22 (CSTK)—The Slovak Government has approved a project for a fundamental reconstruction of a nuclear power plant in west Slovakia, in keeping with measures set by Czechoslovakia's Atomic Energy Commission as a condition for the plant to continue functioning after 1995.

After hearing a report on the results of an analysis of the work of the nuclear power plant, the government agreed Wednesday to the drafting of a study which will envisage the plant's conversion into one working on a steam-gas basis. The measures set by the Czechoslovak Atomic Energy Commission concern the plant's equipment, strengthening of its resistance to fires and seismic tremors, processing of radioactive waste and safety regulations.

The Slovak Government also consented to a loan from the European Bank for Reconstruction and Development (EBRD), totalling 1,100 million Deutsche marks, which will be used to complete the construction of the nuclear power plant at Mochovce, west Slovakia.

Jeszenszky Discusses Foreign Policy Successes

LD2604222192 Budapest MTI in English 1833 GMT 25 Apr 92

[Text] Budapest, April 25 (MTI)—"The last two years of Hungarian foreign policy proved to be more successful than expected. Hungary today is not surrounded by a hostile ring comparable to the former antante," [preceeding word as received] Hungarian Foreign Minister Geza Jeszenszky said, in an exclusive interview with MTI. The foreign minister was attending the forum of basic organization presidents of the Hungarian Democratic Forum, held in Budapest on Saturday.

"Two years ago, our programme included the dissolution of the Warsaw Pact, withdrawal from the COMECON [Council for Mutual Economic Assistance], and integration with the West in the economic, political and cultural aspects. Two years ago, we could only hope, rather than fully believe, that all these goals would be realized so speedily and smoothly, that the integration process would begin in such a promising manner—a beneficial fact not only for us, but for our neighbours as well—and that the great power danger that threatens us would come to an end," Jeszenszky said.

"But we have attained other results as well. Hungary has become a member of the Council of Europe. The associate contract concluded with the European communities is genuinely the threshold to membership in the EC, which implies economic prosperity. Naturally, Hungarian economy must prepare for integration, and this takes time.

"However, we have already been accepted by all in all areas from the political point of view. All our foreign partners treat Hungary accordingly. We have concluded agreements in this sense with France, Germany, Italy and Spain, and other favourable agreements are under preparation.

"Apart from political sympathy, we also receive considerable practical assistance from the Western part of Europe. We thus have no problems in this direction.

"However, we have by far not been able to implement our original programme's goal of achieving close and friendly relations with all our neighbours. Naturally, compared with our isolation between the two world wars, the change is obvious. Not only is our Western neighbour, Austria, our good friend, but so is a new regional great power, the Ukraine, on our Eastern border. Kiev highly appreciates the pioneer role which we played in the recognition of its independence by establishing relations at an early stage," the foreign minister said.

"We have new neighbours along our south-western border: Slovenia and Croatia. These two states also appreciate the moral support which their struggle for independence received from Hungary. We have high expectations for our emerging economic relations with these two countries," Foreign Minister Jeszenszky said.

"It is the Serbian, Romanian and—in part, certain—Slovak circles with which our relation is not quite what we would like it to be. Settling the debated issues, and easing the tension does not depend on us.

"The situation that has come about in our direct neighbourhood is not merely alarming, but tragic, and this has most recently compelled the Hungarian government to take a coordinated stand with our friends," the foreign minister continued.

"On Saturday, Hungary asked the president of the UN Security Council to immediately convene the council. Similarly to the Austrian, Slovene and Croatian governments, we also request that the Security Council discuss the South Slav crisis, and to pass effective measures. Our step was taken not only in the interest of the Bosnian population who are in a desperate situation. A factor in this was our fear that Vojvodina could become the injured party of this war, that the population there could be forced to take part in a fight with which it has nothing to do, which is contradictory to its interests and in which many Hungarians have already lost their lives," Foreign Minister Geza Jeszenszky said on Saturday, in an interview with MTI.

Jeszenszky on Serbian Situation

AU2404155392 Budapest MTI in English 0933 GMT 22 Apr 92

[Text] Budapest, 22 April (MTI)—"The past week's events and the intensive political efforts of the United States clearly demonstrate that the USA has a vested interest in the soonest possible peaceful settlement of the crisis, taking the interests and will of all sides concerned into account," Hungarian Foreign Minister Geza Jeszenszky said in the Wednesday issue of MAGYAR HIRLAP.

"The US Administration also declared that the guaranteeing of the rights of minorities in Serbia would be a prerequisite for a lasting and acceptable settlement," the minister said.

"I don't think that the European Community, playing a decisive role in the European economy and having a considerable impact on the political life of the continent, does not have at its disposal adequate and efficient means with which to influence the Serbian leadership. Their simultaneous application, including the suspension of CSCE membership and other, particularly demonstrative political and efficient economic measures, would in any case influence the Serbian leadership in the direction expected from it by Europe, that is towards a peaceful and comprehensive settlement, which is a prerequisite for Serbia to once again become a recognized member of the community of European states. I would be astonished if these declarations had no effect whatsoever," Jeszenszky said.

In reply to a question, the foreign minister said:

"Since our government entered office, it has felt a sense of responsibility and growing anxiety for the fate of the Hungarian community in the Vojvodina. It is highly reassuring that the ethnic Hungarian politicians of the Vojvodina are displaying a great deal of self-restraint, representing their community with all the means at their disposal, and in most cases assessing the situation in the same way as the Hungarian Government. The latter has taken, and will continue to take, a stand in all international forums for the guaranteeing of minority rights. Accordingly, it presses for the rights of minorities, including Hungarians, to be recognized and guaranteed in neighbouring countries such as, for example Serbia."

"At present I believe there is a good chance that the international community will soon come adopt a similar position on the Yugoslavian crisis as ourselves," Jeszenszky said.

In the current political and military situation, the minister said, an overt Serbian provocation against Hungary would trigger such an intensive international reaction, that the Serbian leadership dare not risk it.

The foreign minister pointed out that over the past one and a half years the Serbian leadership has tried to drag Hungary into the conflict by employing various provocations. "All this was designed to evoke the image of an external enemy in the Serbian people who are becoming fed up with the war," Jeszenszky said.

Jeszenszky Letter Calls for UN Forces in Bosnia

LD2604193492 Budapest MTI in English 1809 GMT 26 Apr 92

[Text] Washington, April 26 (MTI)—The Hungarian Government calls for practical steps in connection with the aggression against Bosnia-Hercegovina, including the deployment of UN peace-keeping forces, runs a letter of Hungarian Foreign Minister Geza Jeszenszky, forwarded to Zimbabwean ambassador S.G. Chigwedere, current president of the Security Council, on Sunday.

The Hungarian foreign minister states: The sovereignty of Bosnia-Hercegovina, the attack against its territory, the violation of the fundamental human rights, including the ethnic and minority rights by the "Yugoslav" Army and the non-regular Serbian troops seriously threatens peace and security in the entire Central and South-Eastern European region.

The Hungarian government believes the Security Council cannot remain impassive in the light of these dramatic developments. It should take suitable practical steps to put an end to the tragic killings, the destruction of the country, the letter notes.

"I therefore urgently call on the Security Council to consider all steps, including the earliest possible deployment of peace-keeping forces, which could contribute to the restoration of peace and stability in Bosnia-Hercegovina. The outcome of the current crisis can serve as either a positive or a negative example for how the crises can be solved in the former communist countries," the foreign minister wrote.

Government Concerned About Vojvodina Community

LD2404164692 Budapest MTI in English 1448 GMT 24 Apr 92

[Text] Budapest, April 24 (MTI)—Keeping the interests of the Hungarian community of the Vojvodina in view, the Hungarian Government turned to the United States, the European Community and the United Nations, expressing its anxiety over the threats made to Hungarians in the Vojvodina on the pretext of the forthcoming conference of the Hungarian democratic community of Hungarians, Foreign Affairs Spokesman Janos Herman told MTI on Friday.

The government asked the US Administration and the international organizations playing an important role in the settlement of the Yugoslavian crisis to use their influence to prevent force as well as follow the situation of the Hungarian community with continued and close attention.

During these formal meetings, the Hungarian side stressed that Hungary has not changed its policy and invariably strove for good cooperation with all southern Slav peoples. It respects the sovereignty and territorial integrity of Serbia, and the southern Slav peoples, endeavour to establish peace and stability in the region, and create a just law and order.

UN Envoy on Differences With U.S. Over Bosnia

LD2504154192 Budapest Kossuth Radio Network in Hungarian 2000 GMT 24 Apr 92

[Telephone interview with Andre Erdos, Hungarian ambassador to the United Nations, by unidentified announcer on 24 April—live or recorded]

[Excerpts] Yesterday there was a heated debate in the Security Council about the Bosnian situation. [passage omitted] The stance of Andre Erdos, Hungarian ambassador to the United Nations, is entirely different, for in his view the time is ripe for the UN forces to enter. Andre Erdos is on the line.

Mr. Ambassador, what is the substance of the difference between Hungarian and American opinion?

[Erdos] Well, one of the greatest differences between us is that the United States is a permanent member of the Security Council, and as such it contributes a very large percentage—some 30 percent—to the budget of the peacekeeping forces. It is obvious that it is not the same for the Americans with regard to what sort of new financial obligations would be incurred by yet another peacekeeping activity. [passage omitted]

However, I say that although an uncertain but, nevertheless, a cease-fire has come about in Bosnia, I recall that even in Croatia we did not wait for the moment that the last armed men in the last village stopped shooting; we undertoook the risk to send UN forces. It was a greater risk that if we delayed then we ourselves would have facilitated the collapse of the cease-fire. The same logic should be followed in the case of Bosnia-Hercegovina, and we should make use of the fact that there is a fragile but nevertheless existing cease-fire. People should be sent there so that the presence of the United Nations will be some sort of deterrent to the warring parties.

[Correspondent] Mr. Ambassador, I obviously cannot decide who is right in this question. But does Hungary, or a Hungarian UN ambassador, have a chance—that is, if they were right—to convince, let us say, the United States?

[Erdos] The point is not who is right or who is wrong. For example, in this specific case it is completely clear that those affected have their own viewpoints and interests, and they act in the light and spirit of such. I can understand that it is not the same for the United States with regard to what sort of costs these peacekeeping forces mean. Hungary obviously participates on a much smaller scale in these costs. At the same time, we as a neighboring country, a country that practically plays the role of a front-line country, we also have our viewpoints and interests that are understandable, I think, even for the Americans as well. The beauty of the work of the Security Council, so to speak, is precisely in the fact that it harmonizes these not entirely different opinions presented with different motivations in a compromise formula.

Czechoslovak Reply to Antall Letter Received

LD2404173292 Budapest MTI in English
1209 GMT 24 Apr 92

[Text] Budapest, April 24 (MTI)—Czechoslovak Prime Minister Marian Calfa has replied to Hungarian Prime Minister Jozsef Antall's letter concerning the Gabcikovo-Nagymaros power plant. The letter was handed over to the Hungarian ambassador in Prague at 8 P.M. on Thursday, Government Spokesman Balazs Laszlo said.

In the absence of information about the content of the letter, the Hungarian Government failed to hold a meaningful discussion on the stepped up construction of the project on the Slovak side of the Danube, and the future of the 1977 Hungarian-Czechoslovak inter-state agreement. The national assembly ruled that Hungary would unilaterally cancel the 1977 inter-state agreement unless Budapest receives a genuine answer concerning the future of the project and the riverbed of the Danube by April 30.

The government is to discuss Calfa's letter next week. Hungary's crucial draft resolution will be put forward by Ferenc Madl, minister without portfolio in charge of the project, the government spokesman said.

Details Reported

LD2404210192 Budapest MTI in English
1654 GMT 24 Apr 92

[Text] Budapest, April 24 (MTI)—Examinations carried out by the Czechoslovak authorities did not justify the Hungarian anxieties with respect to the environmental dangers, Czechoslovak Prime Minister Marian Calfa wrote in his lengthy reply to the letter of Hungarian Prime Minister Jozsef Antall.

Calfa stated he sees no possibilities to suspend the work on the Gabcikovo power plant. The Hungarian ambassador to Prague officially received the reply to Antall's letter, written in February, on Thursday evening. MTI was briefed on the contents of the letter by government spokesman Balazs Laszlo. Calfa set down in the letter that the federal government had passed its current resolution on implementing the so-called provisional solution in the spirit of observing the Hungarian-Czechoslovak inter-state agreement of 1977. It is therefore not violating the law.

The Czechoslovak prime minister termed it regrettable that the Hungarian side continues to be unwilling to at least put the Gabcikovo power plant into operation. The Czechoslovak side cannot stop the construction related to the provisional solution.

In this context, the spokesman added he believes the afore-mentioned work on the Slovak side is in preparation for a solution which will ultimately lead to the re-direction of the Danube.

Hungarian Prime Minister Jozsef Antall called for the setting up of a trilateral committee with the involvement of European Community experts, to examine the professional and scientific issues on which the evaluations of the two countries differ. However, the Prime Minister noted that halting the unlawful work aimed at the unilateral diversion of the Danube, in progress on the area of the Dunakiliti Reservoir is needed in order to set up the professional committee, as the efforts to complete the project question the meaning and aim of the examinations.

Walesa Urges New Investigation Into Parys Case

LD2404215992 Warsaw PAP in English 2115 GMT 24 Apr 92

[Text] Warsaw, April, 24—Shortly before a special commission releases its report on the situation in Defence Ministry and Minister Jan Parys' case, President Lech Walesa wrote a letter to Sejm (lower house) Speaker Wieslaw Chrzanowski asking for a new investigation into the same case by an extraordinary Sejm committee.

President Lech Walesa explains that his motion is motivated by the situation which developed in the Defence Ministry, the fact, that Prime Minister Jan Olszewski fully supported Minister Parys' activities, and by the prime minister's statement on Friday [24 April] in which he said he takes full responsibility for all actions performed by Minister of National Defence Jan Parys.

The Sejm will decide on Saturday [25 April] whether a committee postulated by the president will be appointed or whether its tasks will be delegated to the Sejm Committee for National Defence, its chairman Deputy Maciej Zalewski said.

Bentkowski To Chair Sejm Commission on Parys

LD2504182692 Warsaw PAP in English 1755 GMT 25 Apr 92

[Text] Warsaw, April 25—Deputy Aleksander Bentkowski of the Polish Peasant Party (PSL) was named chairman of an eight-member Sejm commission set up Saturday [25 April] to examine the message and circumstances behind the televised statements by Defence Minister Jan Parys of last April 6. Maciej Zalewski of Centre Alliance (PC), who is also chairman of the Sejm Committee for National Defence, has become deputy chairman of the commission.

The commission asked the prime minister to let them see the complete dossier concerning the work and findings of a commission set up by him earlier to examine Parys' statements at his meeting with the Polish Army General Staff on April 6. The newly set up commission will hold its first meeting next Thursday [30 April].

Walesa, Olszewski Receive Solidarity Protesters

LD2404163992 Warsaw PAP in English 1418 GMT 24 Apr 92

[Text] Warsaw, April 24—Prime Minister Jan Olszewski received a delegation of the participants in a protest march staged by the Solidarity Trade Union in Warsaw on Friday [24 April] and accepted a petition addressed to him. After a 15-minute discussion Olszewski invited the unionists to negotiations scheduled for May 4.

Also President Lech Walesa received a delegation of protesters, including the Solidarity national leader Marian Krzaklewski and leader of the Solidarity Warsaw Province Branch Maciej Jankowski in the presence of participants of the protest march who gathered in front of the Belvedere Palace.

Walesa ensured the delegation that he will "support (the union) not only morally, but also by attending the nearest difficult negotiations with the government." The president announced that starting next week he will "make rounds" of enterprises, during which he expects not only to be "scorned but also supported."

Olszewski Address on Issue of 'Extraordinary Gravity'

LD2404135992 Warsaw Radio Warszawa Network in Polish 0706 GMT 24 Apr 92

[Speech by Prime Minister Jan Olszewski to the Sejm—live]

[Text] Mr. Speaker, Mr. President, may it please the House. The subject of deliberations by the esteemed House is an issue of extraordinary gravity. This is an issue whose gravity for the Polish economy is of the highest importance. [word indistinct] in their addresses the ministers of my government, Mr. Olechowski and Mr. Kropiwnicki, presented to the esteemed House the financial consequences of the Constitutional Tribunal decisions. At issue are enormous sums of money. The running of the Polish economy, the coming into force of those resolutions, would simply be impossible if the tribunal's recommendations are approved. Everyone in this hall, I state everyone, or almost everyone, realizes this full well. But at the same time a certain strange mood has been created, which is incomprehensible for me—well, maybe only partially incomprehensible.

While watching yesterday's television news bulletin I happened to watch a [word indistinct] address by Deputy Oleksy; Mr. Oleksy who, as we know, has a considerable authority in this part of the hall which he represents. Mr. Oleksy put forward the following train of thought: We know what significance this has for the economy, we know that one should [word indistinct] earlier, but because we also know that there will be others in this Sejm who will vote for these statements, therefore we will also vote for them.

I hope I understood my honorable friend well. I can understand Deputy Oleksy, but I understand it less when I talk to a representative of a meritorious—I must say very much meritorious—political group; one that has done great service to the cause of democratization and independence in Poland. I hear that representatives of this group will vote for the resolutions although they realize perfectly what the financial consequences are of this... of this decision. But in their conviction, they must vote in such a manner because if there happened to be elections, then someone has to run an effective campaign against the post-communist groups, and yet the old age pensioners and the budget sphere constitute after all an immense number of voters, an immense [word indistinct] electorate.

I think, ladies and gentlemen,—I am a deputy myself, [words indistinct] you remembered that, that we underestimate our voters, that such a view on these matters, when [word indistinct] one's own very immediate interest, one's own popularity—this is the view that will not get the social approval. And one cannot express surprise, bearing in mind such a stance, that in the past elections in which we all received a mandate—two thirds of the electorate, almost two thirds of the electorate failed to come to the ballot box. I am afraid that if we continue to apply such practice, and if we continue to demonstrate such a stance at the next elections—about which we care so much—nobody will come to those ballot boxes. I think that we should look at the situation from the angle of the interest of the state—with a cold and calm eye—first and foremost of the interest of the state and the economy, and not from the angle of our mandates.

If we look from this point of view, and I have no right to deny it, if representatives of numerous parties in this Sejm look at this issue from their own point of view, then I cannot understand, for example, the stance of the peasant parties: the stance of the Polish Peasant Party, because the implementation of those decisions must inevitably cause inflation—inevitably—and who will bear the brunt? First and foremost the farmers, first and foremost the farmers. The brunt will also be taken by old age pensioners, well, maybe except those pensioners who represent the old nomenklatura and high pensions which that nomenklatura was assured of. [applause].

Ladies and gentlemen. The government has been obliged to submit its own position. In many addresses by deputies there appears a thought that the government should also take upon itself the task of somehow solving the issue when the Sejm finds legal grounds for both decisions. It should find some sort of solution, well, one that will not destabilize the economy but one which will, after all, allow leaving this state of affairs to those who voted for the adoption of those decisions.

I would like to make it very clear what the government can and cannot do on this issue. First, the government can indeed tell society the truth if no one else today has the courage to do this. It can specifically say that it is unrealistic—that implementation of these decisions is unrealistic, and this is what we are saying, and this is what we are consistently saying. What should be done on this issue, what can be done for the heavily suffering milieu of pensioners—one can do quite a lot—(?I do not know). And the government will accept such solutions, and will prepare such solutions, it will even make first steps in this direction.

First and foremost, within the framework of the process of general privatization one has to rebuild the institutions and assets of [word indistinct] the institution which was robbed in the past periods of time, which must have the stolen money returned. And that is why, first and foremost, this institution must benefit from the privatization process.

Secondly, one has to urgently begin the preparation of a complex law regulating the issues of disability and old age pensions, one that would regulate those matters in a blanket manner, one that would abolish the old, the new, the middle and the oldest portfolios. Ladies and gentlemen, this is because the petrification of this structure of old age and disability pensions currently in force in Poland, the petrification of this structure, which would have to be reinstated should we find that the Constitutional Tribunal's pronouncements have legal grounds—this structure contains deep injustices, because it is a consequence of the whole 45 years... 46 years of communist rule. It contains very fat portfolios for a narrow group of the priviliged, and very thin portfolios of an enormous group of the discriminated people. This has to be levelled out, and this must be leveled out. [applause]

I think that the masses—about which we care so much here—the masses of pensioners are able to understand this, and this is what we are expecting. I expect it from the government but also from the Sejm. If we adopt other solutions, substitute solutions, the ones we are discussing here, that the government should prepare the legal solutions that will enable postponement of payments, moving them until later, substituting them with symbolic solutions of the participation in the general privatization—then I have to tell you, ladies and gentlemen, that I consider these solutions as having little feasibility.

First and foremost, they do not satisfy the real demands and real needs of the pensioners. These are old people who, in this situation, will be promised that maybe something can be done for their grandchildren. And one more thing, possibly of the greatest importance: Every substitute solution that we adopt and implement here can also be, with the same result as last year's laws, appealed against to the Constitutional Tribunal. And with the same result they may just as well be found at variance with the Constitution.

Because this game [as heard] (?principle) the law-governed state on the basis of [shouting in the hall], on the basis of... wait, gentlemen, please, until the end... on the basis of the Constitutional Law that was issued in 1952, and whose catalogue [applause], and whose catalogue of civil rights was a plain and intentional Stalinist fiction, cannot be applied on the basis of the possibilities of real Polish statehood and real rational economy [applause].

[Sejm speaker, interrupting the applause] Because of the importance of the issue, please keep calm, especially because there are parliamentary forms of expressing one's own views. [more applause]

[Olszewski resumes] During my latest foreign trips and meetings, I quite often encounter questions to which, I frankly admit, it is difficult for me to answer. Why must the Third Polish Republic be built on the basis of a Constitutional Law that comes from another epoch and

should have been long ago consigned to the place its creators were already sent—to the trash heap of history. [applause]

May it..., Mr. Speaker, Mr. President, may it please the House. I find it my duty, when I address this esteemed House, to take a stance toward two issues that are immensely topical today. Since the beginning of the existence of this government, since my first address, I declared that I would look for the widest possible support for my program, which I submitted in my introductory address to the esteemed House, and that I would look for support everywhere possible, for support of all democratic and pro-reform groupings. In recent times concrete talks were held in this respect. These talks ended unsuccessfully.

I would like to say here that I regret this, but I would also like to say that the rebuilding, or as others would have it—the reconstruction of this government—must be such a reconstruction, that would allow the continuation of its program, and secondly one that would not break the continuity of government's actions. Because this government—whatever one might have to say about it—acting in the past four months, has managed to get a few things done. [brief applause] I understand the instinctive reaction of dislike in one part of this hall.

I think that the government's greatest achievement is that within such a short period of time it managed to make personnel changes, as well as to make a partial restructuring that allowed the legal authorities of the Polish Republic to regain full control over the armed forces, the police, and special services [applause]. Gentlemen, there will be no, there is not and there will be no party controlled armed forces, no party controlled police force. [applause]

The government will act consistently on these issues. We have also prepared the program for social and economic actions. We have prepared the draft budget law which is based on the former. We have prepared, we will submit it to the Sejm in the coming days, a group of laws, amendments to the laws which are necessary to perform and implement this budget. And the governmment, until it has a mandate, until this mandate is withdrawn by the esteemed House—as we are acting in a democratic order, as the first government appointed by the Parliament elected in free elections—will perform its duties. Only as long, but only until such moment. And the last [word indistinct]. That the government will be seeking support for all its actions which it considers necessary and indispensable; it will be trying to convince and talk to all the [parliamentary] floor groups; it will be carrying out the widest possible dialogue, but it will not buy support by distributing portfolios and posts. [applause]

May it please the House. During the talks aimed at the broadening of the coalition there appeared, I am not trying to conceal it—they posed a problem—issues connected with quota arrangements. Every government that reflects a political coalition must be based on such principles, but I think that in the existing situation—the situation in which the government is working—it is not possible to break the continuity of action of particular ministries only because their current managers are without any party affiliation. And if they undertook actions that are the result of the implementation of programs aimed at genuine reforms, and if they have achievements, albeit initially, on their sectors then they must be allowed to continue these. And I have presented such a stance in the talks and will present it during all other attempts to reconstruct the government.

I think it is my responsibility as prime minister to say a few words at this point about an issue that has been given great publicity in the press, that is the issue of [Defense] Minister Parys. Any decision on this is for me to make as head of the cabinet. Acting for four months within his ministry, Minister Parys has carried out a program approved by me. He carried out his duties energetically and consistently. The matter that emerged, which became the subject of public controversy, must be cleared up, and with this aim I have set up a special commission that is already finishing its work. When its report is delivered—and it will also be made available to the House and to the public—I will make the appropriate decision. For the period of the commission's work, so as to leave no doubt as to the freedom of its work, I asked Minister Parys to take leave. I mean that there is no doubt as to the honest nature of findings on whose basis final decisions will be taken. I stress: This decision belongs to me and I will make it.

May it please the House: These are the problems that face us today; these are the problems of this House; these are the problems of the political elites. But outside this House, apart from our problems, there remain (?further) problems. There is still society, which—I stress—is experiencing this process of change, this very difficult process of economic and social change that often gives a very hazy picture of these matters and which often is incapable of understanding very many things—and we know why it cannot understand them.

There are many among these matters for which we bear responsibility and it must be said that the growing mood of social impatience is not groundless. But upon these moods, upon these moods which must be dispersed through a matter-of-fact and down-to-earth dialogue, upon these moods people in Poland are playing, people who are well trained for just such things. They play sometimes quite successfully. I would like to say just one thing here, on my own behalf and on behalf of my government: We will not dance to that tune. And I would like to say one more thing: Dialogue with social groupings that are today enduring the worse, the greatest costs of the reform, with workers' milieus, with the farmers' milieu—this dialogue must exist and will be held. [applause] We must and we will, regardless of everything, conclude broad social agreements which are the only road to a consistent and calm implementation of the economic reform.

The workers' milieus, the farmers' milieu, the milieu of the technical intelligentsia—all these people whose participation whose active participation in the process of changes is essential, who will (?have to bear) the costs of these changes, these people have the right to have the following principle applied: nothing about us without us.

For them to have the right to express themselves too on the subject of their role, that is envisaged for them in this process of transformations. And that is why I stress once more, the necessity, a patient one, thoroughness in the carrying on of the dialogue the result of which ought to be a wide social accord. We have commenced such talks with Solidarity. They are difficult, very difficult. And [words indistinct] the accusation that we devote too much time to this. The many hours long, partly nighttime, last meeting with representatives of the National Commission [words indistinct] in fact also, when one has the obligations of prime minister, were as if devoted to this matter [words indistinct]. I feel that this dialogue is one of the most important matters of state. These negotiations were carried on with Solidarity. I do not hide the fact that this is a union that is very close to me, as regards [words indistinct]. But today I am the prime minister of the government and not a Solidarity activist. The government is ready to continue an identical, open, thorough dialogue with all milieus, with all workers' representations, on the condition that they approach this matter with equal thoroughness.

May it please the House! There is before us for resolution a matter that may be decisive for the entire success of the process of reforms, a matter of decisive importance. I would wish to appeal to the esteemed chamber, I would like to appeal to all of you, as my colleagues, for I also am one of you, at the moment when we will be deciding this for us not to think of the future [word indistinct], not to think of the fate of our [word indistinct], for us at that moment to all think of what we received our mandates for, all of us together, for us to think of Poland. [applause]

Solidarity Union Issues Protest to Olszewski

LD2304214292 Warsaw PAP in English 2233 GMT 22 Apr 92

[Text] Gdansk, April 22—The Presidium of National Commission of the Solidarity Union decided, during the first day of its two-day meeting started Wednesday [22 April] in the Polish northern town of Gdansk, to issue a protest to Prime Minister Jan Olszewski concerning procedural negligence in conveying government-worked out laws to the Union.

Deputy spokesman for the National Commission Krzysztof Szumilo said that the government was constantly infringing settlements made in effect of bilateral negotiations concerning conveying governmental draft laws to the Union thus enabling it to opine on those drafts.

Meanwhile in Warsaw, the Solidarity Union Parliamentary Floor Group resolved to endorse a demonstration, launched by the National Commission against the increasing costs of living, unemployment and decreasing incomes, scheduled for April 24.

Spokesman for the National Commission Andrzej Adamczyk stated, in a communique conveyed to PAP Wednesday, that the demonstration aims to attract the government attention to union's determination to observe rules enclosed in signed settlements. He added that the protest has no political purposes and does not aim to support any political organization.

Head of the Solidarity Union Mazowsze branch Maciej Jankowski acknowledged Wednesday, at a meeting of factory commission preceding the demonstration, that the government should start to build-up a system of expenditures in conformity with social needs and added that special powers given to the government would by no means undermine the parliament but conversely the move would enable the government to concentrate on issues of vital importance.

Press Says Olszewski's Days 'May Be Numbered'

LD2604174892 Warsaw PAP in English 1640 GMT 26 Apr 92

[Text] Warsaw, April 26—The recent failure of talks on broadening the governing coalition, followed by the near-defeat of government in the Sejm in a crucial vote on state finances Friday [24 April] has fueled speculation in the Polish press that the days of Jan Olszewski as prime minister may be numbered.

"Already after the fiasco of grand coalition talks you could hear opinions in the Sejm lobbies that the prime minister had failed the test," the GAZETA WYBORCZA wrote in its weekend edition. "Many politicians, including some from the ruling coalition, say it is necessary to form a bigger coalition but with a different prime minister," the paper added.

It said the names being mentioned most often are those of Wieslaw Chrzanowski, currently the Sejm speaker and leader of the Christian National Union (ZChN) and Tadeusz Mazowiecki, the leader of the Democratic Union, now outside the coalition. According to GAZETA, Jerzy Eysymontt, the minister of planning, is being proposed for prime minister by the leader of the Centre Alliance (PC) Jaroslaw Kaczynski, the man widely considered the architect of Olszewski's premiership. Finally, it is said that President Walesa favours Andrzej Olechowski, the current finance minister, as the new prime minister.

However, Olszewski does not seem ready to give up easily, the paper wrote. His close aides made soundings on including in the government the Confederation of Independent Poland (KPN). Its leader Leszek Moczulski told GAZETA that efforts were under way to form a coalition of the ZChN, the KPN, the PSL (Polish

Peasant Party) and a part of the PC supporting Olszewski and opposing Kaczynski.

Olszewski's position has been weakened by the fact that the seven parties forming his government coalition are bent on broadening it to gain the necessary solid majority in parliament, while the most likely newcomers, that is the so-called small coalition made of the Democratic Union and the Liberal Democratic Congress [KLD] (plus a third smaller group) have now ruled out any further talks on forming a coalition under Jan Olszewski. A statement to this effect was obtained by GAZETA from Tadeusz Mazowiecki and Donald Tusk, the leader of the KLD.

According to the RZECZPOSPOLITA newspaper, "also some of the politicians from the ruling coalition said in the Sejm privately that a grand coalition, if formed, would be backing a government led by someone other than Jan Olszewski."

Olechowski Threatens To Resign if Verdict Upheld

LD2404162792 Warsaw PAP in English 1414 GMT 24 Apr 92

[Text] Warsaw, April 24—The Sejm (lower house) decided Friday [24 April] to postpone the voting on the verdict of the constitutional tribunal concerning pensions and wages in the public sector till its next meeting. At the same time the chamber obliged the government to present within ten days a proposal how to satisfy the possible claims of the public sector employees by means of issuing state treasury bonds or privatization bonds. If the Sejm upholds the verdict of the constitutional tribunal, I will have to resign, Finance Minister Andrzej Olechowski told reporters.

Minister Without Portfolio Submits Resignation

LD2404204192 Warsaw Third Program Radio Network in Polish 1900 GMT 24 Apr 92

[Text] Artur Balazs, minister without portfolio responsible for the contacts of the government with political parties, presented the prime minister with his resignation today in connection with the demonstration in Warsaw today. Minister Balazs justified this decision on the basis of the significant dissonances that have ensued in recent days between himself and the head of the government on matters associated with seeking a widening of the parlimentary- government coalition and the reconstructon of the government, said Krzysztof Oksiuta, the spokesman of Minister Balazs.

Stolojan Presents Economic Program to Parliament

AU2404081892 Bucharest Radio Romania Network in Romanian 0808 GMT 23 Apr 92

["Economic program" presented by Prime Minister Theodor Stolojan at the joint parliament session in Bucharest on 23 April—live]

[Text] President Barladeanu, President Martian, Messrs. parliamentarians: The government proposes to present the following measures to parliament today:

1. An outline of the main objectives included in the program announced by the government team on the occasion of its investiture on 16 October 1991—actually, more than six months have passed since then;

2. Measures to be taken by the government to consolidate the stability of the national economy by reducing the pressure of inflation and restoring the foreign currency balance;

3. The implementation of measures for a 25 percent reduction in subsidies for some basic products and services and for the policy of protecting people's incomes.

You have already received this report. In connection with the first point, namely the outline of the main objectives included in the program presented by the government during its investiture on 16 October 1991, I will only highlight the essential problems in this respect.

Political objectives:

The government is following with keen interest the finalization of the local elections where they have not been concluded yet—thus, the election of mayors in 14 localities, including Iasi and Tirgu Mures municipalities; the election of local councils in the case of certain town halls; the election and setting up of county councils in five counties and Ilfov Agricultural Sector.

We are now approaching Romania's parliamentary and presidential elections. There is no real reason for these elections not to take place by the end of June 1992. All political forces have spoken out in favor of it. Actually, not only the government but also the political forces, as well as the other forces in society have emphasized the negative effects of postponing these elections both for democracy and for the economic reform, and for the social problems faced in the transition to a market economy.

Once again, the government expressed its determination to ensure the necessary conditions, so that both the parliamentary and presidential elections will be free and correct. For this purpose, we believe that—at this stage in the democratization process of Romanian society—the presence of national observers in the elections is necessary, as is the adoption of precise regulations to prevent certain national observers from going beyond their competence as provided by law.

Economic and social objectives:

In these six months, the government focused on the following directions: It continued the economic and social reform through which the institutions and mechanisms of the market economy are being achieved to set market forces into motion. The government is convinced that only by fully implementing the economic and social reform will we be able to guarantee conditions for an effective allocation of resources in a society based on the incentives and constraints of the market economy in order to restructure autonomous corporations and trade companies based on the criterion of competitiveness. The government has examined the response of the actual economy [economiei reale] and of economic enterprises to the incentives and norms introduced by the institutions and mechanisms of the market economy.

Recognizing the fact that the transition to the market economy is a long and costly process, both the eastern and western countries abandoned certain ideologically burdened ideas that may sometimes have been correct from the point of view of theoretical examination in government, but that failed in practice, for instance the myth about achieving privatization overnight.

The government has paid closer attention to the results of the reform, the only ones that, in the final analysis, justify the reform itself. The government has tried to preserve economic and social stability, without which the transition costs increase more and more, the transition takes longer, and the opportunity of reorganizing and improving the national economy—the only real foundation for raising the standard of living—is wasted. For this purpose, the government has sought solutions and taken the necessary measures to solve old and new imbalances and to ease certain conflict situations of a social nature.

Please permit me to highlight the main landmarks of the progress in the reform process.

Development of the private sector in Romania; private ownership in agriculture:

In the past six months, out of the total of 9.2 million hectares, 5.7 million hectares of agricultural lands were distributed to new owners. A total of 4,507,000 ownership certificates have been issued, 2,915,000 in the past six months alone. A number of 591,000 ownership certificates remain to be issued. A total of 92,000 ownership titles were also issued.

Promotion and assistance of small- and medium-scale enterprises:

In the past six months, the number of privately owned businesses increased by 77,000 and currently totals 272,000. The number of family associations and independent business people increased by 18,000 and the current total of such registered businesses is 161,000.

There has been almost a doubling in the number of trading companies; they increased by 58,000 in the past six months and currently total 111,000. Trading companies with the participation of foreign capital: In the past six months, their number increased by 4,000 and currently amounts to some 10,394. We have created a fund for guaranteeing credits for small- and medium-scale enterprises with participation of 5 billion lei by the Romanian state and of 5 million shillings by the Austrian state; this fund will become operational in the near future. We are in the process of setting up a National Center for the Assistance of Small-Scale Entrepreneurs with a contribution of 10 million ECU [European Currency Unit] by the Economic Reconstruction Aid for Poland and Hungary [PHARE] program. Three consultancy centers have been put into operation in cooperation with the United Nations Development Program [UNDP] program and certain U.S. universities.

Privatization of state-owned trading companies; sale of assets:

In the past six months, some 4,412 asset items [active] were published of which we have sold 117 so far. The registration value of the 117 assets totaled 41,000,000 lei; their re-estimated value totaled 212,000 lei, and the proceeds of the sale of these 117 assets totaled 506 million lei.

By 15 May 1992, we will sell another 400 assets.

Sale of stocks:

A number of 34 state-owned trading companies are ready to be privatized and will be assisted in an unrefundable way by certain specialized companies. In May we will publish a brochure on the sale of stocks in 10 trading companies, and thus the sale of stocks is actually opened.

The draft law on the adoption of the framework statute of private ownership funds was submitted to parliament and the regulations on the organization and operation of the state ownership fund was endorsed by the government.

In the second half of May, we will begin the distribution of ownership certificates to approximately 16.5 million citizens.

Sale of housing from state-owned housing built with state funds:

In the past six months, 400,000 dwellings were sold; the number of housing units sold currently totals 941,000 out of a total of 2,063,000, that is 46 percent; a total of 594,000 applications for the purchase of dwellings are in the process of being dealt with at this time. Thus, we can say that in a relatively short time, almost 75 percent of the state-owned housing built with state funds will become the private property of the current tenants. This transfer of property, as you know, is taking place on the basis of the historical prices of the apartments when they were built, something that means a substantial measure for the social protection of the tenants living in the respective apartments.

A team of specialists from the Ministry of Justice and the Ministry of Economy and Finance is coordinating solutions and is to propose a draft bill for the legal clarification of the situation of the approximately 258,000 dwellings—this is the total in our records—that are state owned as a result of nationalization, confiscation, and so forth. We would like to attract to this team representatives of the tenants and owners' associations, so that they can also contribute to mutually acceptable solutions.

Liberalization of prices and trade:

Based on the unification of the exchange rates of the leu, which was introduced on 15 November 1991, and the promotion throughout the economy of the effect caused by this unification, one of the most important distortions was eliminated from our pricing and management system in all our economic enterprises: the distorted reflection—at inflated costs—of the imports of energy, raw and other materials practiced for decades in Romania. Thus we managed to harmonize our national pricing system with the international pricing system.

In the current pricing system, some tension still exists because prices have not been able to achieve a balance between supply and demand in the case of certain products and public services as follows: In the case of a limited number of products and public services—which are important in terms of their budget costs—some 17 percent of the commodity production and public services; in the case of coal and other ores where internal costs exceed international prices; and, in the past two months, in the exchange rate of the leu, which was affected by the lack of the minimum planned foreign funding and by other factors.

While on the domestic market the free distribution of products was maintained—there were only 41 products whose distribution was controlled, such as sugar, milk, and so forth, compared with 1,800 such products in 1989—we continued to liberalize foreign trade by reducing the number of products subjected to a quota system or temporarily banned for export.

Likewise, from 1 January 1992, a new customs fee was introduced. The export-import banks started to operate and this will stimulate exports, particularly exports of equipment and devices for complex operations, with credits being granted at low interest rates and export credits being guaranteed.

The expansion of the job market, liberalization of salaries, and improvement of the social protection system:

For the first time employers negotiated, with the mediation of the government, the collective labor contracts for 1992 with trade unions at national level. On this basis, collective labor contracts for branches were negotiated, and we are busy finalizing contracts at the level of

autonomous corporations and commercial companies. This activity, which is a good lesson for all participants, points out at all levels, that is at the national, branch, and commercial company levels, the possibilities and the rigors of economic stability, with the demands of employees regarding incomes and social protection.

From 1 January 1992, individual salary limits were eliminated in state-run economic enterprises and limits were introduced for the development of the total salary fund, with a view to preventing spiraling inflation. However, these limits could be exceeded, if some sort of serious tax is levied on the salary fund that is in excess of the limit. In practical terms this means that there is no limit to the individual salaries enterprises can pay on the basis of increased productivity or cutting redundant manpower.

Since December 1991, the National Indexation Commission has been operating. This commission includes representatives of employers, trade unions, and government. The period in which unemployment benefit is paid was extended from 6 to 9 months and a system of social assistance was introduced for those who do not meet conditions to receive unemployment benefits. In this way the area in which social protection is provided has been expanded.

The expansion of the financial market and the liberalization of hard currency market:

The establishment of the Romanian economy's banking system has continued in the past 6 months; three new banks have been established: Bankost, Creditbank, and the Romanian Bank. As it has already been mentioned, the Export-Import Bank has been made operational with an initial capital of 20 billion lei.

From 15 November 1991 and up to the middle of February 1992, we ensured the operation of the hard currency market, on the basis of the leu exchange rate that has developed within the envisaged limits. In March and April 1992, the operation of the hard currency market was affected by internal and external causes that will be discussed under point two of this report.

The change of fiscal and monetary system:

As of 1 January 1992, we simplified and made more comprehensible the levying of the tax on profit and the goods circulation tax. Thus, as far as the profit tax is concerned, we changed the 68-step progressive tax schedule on profit categories, which reached 60 percent, to a simple two-step schedule as follows: 30 percent up to 1 million lei profit and 45 percent on profit greater than 1 million lei. As far as the goods circulation tax is concerned, we reduced the 19-step tax schedule to a 5-step schedule and established one single monthly payment date, with the exception of tax on crude oil and natural gas. This measure is also a means of preparing the economy and the fiscal system for the introduction, as of 1993, of value added tax, which is a draft law that has been endorsed by the government at its meeting yesterday [22 April] and will be sent forward to parliament.

On the basis of the provisions of the Constitution, a draft law on taxes and local fees has been sent to parliament, a draft that confers increased competence in this area on the local and county councils.

In the monetary field, the government, together with the national bank, has taken the necessary measures in order to: sterilize [sterilizarea] the expansion of the money supply brought about by the increase of credit, as a result of the global compensation of payments [compensarii globale a platilor] carried out at the end of 1991, under the specific circumstances created in the economy by the extent of the financial blockage; strengthen the financial discipline of autonomous corporations and commercial companies by preventing payment arrears; establish certain procedures to declare units insolvent, that is those that do not honor their obligations, and, finally, to start the procedures of restructuring, including liquidation.

The government is aware of the fact that there are still many goals to be achieved in setting up and consolidating market economy institutions and mechanisms. However it rejects statements expressed publicly by certain figures about the alleged slackening of the pace of the economic reform in the past 6 months, the alleged lack of a strategy and program to implement the economic reform, an example in this respect being the publishing by the Department for the Strategy of Reform and Economic Integration, of the work entitled The Transformation of the Romanian Economy—Achievements and Prospects.

The response of the real economy to the stimuli and the rigors introduced by the institutions and mechanisms of a free market economy:

As has already been mentioned, the government has paid great attention to the results of the reform and intervened openly, both to correct certain malfunctions that appeared in the existing institutions and mechanisms and accelerate the process of making them operational, and to take certain specific measures that can respond to certain specific situations in the transition period to the market economy.

After 6 months of continuous decline in industrial output, it was possible to halt the industrial production decline. Unfortunately, as of March 1992 Romania could no longer carry out the established minimum imports. For example in March we achieved only 65 percent of the minimum energy imports and as of 20 April, only 28 percent of the envisaged energy imports for this same period. As a result, industrial output started to drop again although there is a (?foreign trade). This situation makes us realize that the government cannot be indifferent, but is duty-bound to take the necessary measures. Except for a combination of circumstances in December 1991 and January 1992, exports registered an increase each month, and exports in the

first quarter 1992 are even higher by 24.2 percent than exports in the same quarter in 1991. However, the increase in exports has been inadequately reflected in the cash income of our country because of the tendency of excessive bartering for exports and the behavior of certain exporters-importers who aggravated the country's hard-currency balance problems.

On 13 April 1992, the number of unemployed and of other jobless people was 558,000; that is, 4.6 percent of the country's active population, as compared with the 260,000, or 2.3 percent, on 30 December 1991.

In the past 6 months, 237 indutrial plants have been systematically closed, 30 mines, 37 sections in the machine building industry, 41 installations in the chemical and petrochemical industry, 46 textile and leather wear factories [numbers as heard].

Compared with September 1991, the price index in March 1992 was 205.8 percent and compared to October 1990 it was 657.3 percent.

An employee's average monthly net income, that is his pay after taxes, were indexed in accordance with the price policy practiced in that period. The index of the average monthly net nominal income in March 1992 was 166.6 percent compared with September 1991, and 447.8 percent compared with October 1990. Under these circumstances, the ratio of the salary index to the price index is 0.81, with reference to September 1991 and 0.68 with reference to October 1990.

These ratios reflect an important amount of the social cost of the transition that is supported by employees.

The government intervened with positive results in many areas of the economy. We emphasize particularly the acceleration of the process of applying the land law. This is proved by the increase in the number of hectares given to the new owners and by the achievement of contracts and financial mechanisms, which is aimed at carrying out the fall and spring agricultural operations, under the specific conditions that have been created through the lack of coordination between the system of services for agriculture and the new structure of land ownership. Only through the decisive intervention of the government was it possible to increase the area sown to wheat last fall by about 800,000 hectares and to ensure agricultural operations this spring.

We have started domestically manufacturing small power tractors with 20 and 40 horsepower. The first five Prototypes of a 20 horsepower tractor have already been manufactured and after testing and standardization they will be produced at the beginning of the fourth quarter.

One could also mention the withdrawal from the autonomous corporations of an important number of economic units that were organized into commercial societies, a process that is still under way; the stimulation of foreign investors, also through new measures that have been suggested to the parliament; the elimination to same extent of certain monopolist privileged practices in negotiating prices; and the act of finding solutions to the lack of balance specific to the period and economic stability.

In the past 6 months, the government has been confronted with many difficult situations brought about by old and new imbalances in the economy. However, we will mention only this example: The serious energy shortfall accentuated in the third quarter of 1991 as a result of the impossibility of ensuring hard currency funds for the minimum energy imports. We would like to remind everyone that, before winter, except for the water in the reservoirs of hydroelectric power plants, no energy resource was at the minimum level security reserves. In the economy, obvious signals of the energy collapse were emerging, with negative consequences whose real effects on production and the population were difficult to determine. Only the decisive intervention of the government made it possible to overcome that extreme situation. Likewise, the government has taken measures to ensure the resources that are necessary for operations to continue at energy Group Number 1 at the nuclear power plant at Cernavoda, the finalization of the accords for technologically upgrading the energy groups at Turceni and Rovinari, and the intensification of the work to complete the programs aimed at reducing the high levels of energy consumption.

A new imbalance has appeared in the case of the wheat needed for the population's bread, that is, about 1 million tonnes.

Through tenacious activity, the wheat required is being ensured until the next crop through a wheat import contract with France, supplementary acquisitions will be made at home, and a new import contract will be concluded in the near future.

At the same time, the government has taken action, as has already been mentioned, to reduce the new dependence created by the wheat import, through measures taken for agricultural operations to be carried out under the specific conditions that can currently be found in agriculture.

In the past six months the government has paid maximum attention to ensuring economic stability through the prudent fiscal and monetary policies of credit and income it has practiced. In spite of the fact that hyperinflation has been prevented, economic stability was affected by the consequences of the 1991 September events [the miners arrival in Bucharest], the expansion of credits in the economy as a result of the global pay compensation, the difficulties that cropped up in getting foreign financing, the inadequate financial rigor at the level of economic agents based on state capital, and by a certain tension that still exists between the demand and supply relationship, that could still not have been solved.

In the October 1991-April 1992 period the government has been involved in solving numerous social and political problems, which, without its intervention would have degenerated into social and political conflict.

Measures to be taken by the government in order to consolidate stability and the restoration of the national economy by reducing inflation pressure and restoring the hard currency balance; Inflation and hard currency deficit, the expression of imbalances in our national economy:

The imbalances still existing in the national economy are confirmed by two phenomena:

—The persistence of high inflation; in 1991 the annual inflation rate was 323 percent and the average monthly inflation rate was 10.3 percent. In the first quarter of 1992, the average monthly inflation rate was 13.9 percent.

—The maintenance of a monthly foreign currency deficit, meaning that in the specific situation of our country, the necessary imports for the daily consumption of the economy and of the population is greater than the resources from exports. In 1991 the deficit was 1.3 billion dollars and for 1992 about 1.5 billion dollars deficit is envisaged, 5.4 billion dollars imports and about 3.9 billion dollar exports. Both phenomena reflect the fact that consumption is greater than the resources available to our economy. Under these conditions, the imbalances are still being resolved through inflation and through increasing foreign debts.

Inflation stimulates profiteering activities and consumption and discourages productive activities, savings, and investments and have destabilizing effects on the national economy and obstructs its restoration. Likewise, inflation deteriorates the people's standard of living.

In order to counter the pressure of inflation the government has mainly relied on the following policy:

—Maintaining the fiscal deficit, that is of the national public budget, within a limit of 2 percent of the domestic gross national product of the country. It is possible to finance this amount of the fiscal deficit in noninflationist ways by mobilizing the financial resources of the economy.

—Increasing banking credit and the money supply within reasonable limits, in accordance with the requirements of an anti-inflation policy.

—Fighting discretionary practices in negotiating prices and supervising the price movement in the case of essential products with a great lack of balance between demand and supply.

—Promoting a policy of income that should prevent spiraling inflation.

—Putting into operation the institutions and mechanisms of the market economy, restructuring enterprises, and stimulating the increase in offer.

Although as mentioned before, hyperinflation was avoided, the rate of inflation is still high. The cause of a continuing high inflation is in: the failure to eliminate completely the lack of balance that exists in the economy and the slow pace of restructuring enterprises; deficiencies that have appeared in applying the anti-inflation policies, such as the increase of the money supply, monopolistic behavior in modifying prices, the tendency of increasing economic expenditures, and in certain branches and subbranches, the increase of cost per hour of the labor force, which works against the development of labor productivity; the insufficient use of a strong anti-inflation instrument, that is the interest rate.

Beginning February, the government faced a very difficult situation affecting the economy, a situation that led to an approximately two-month delay in the granting of the second installment of the loan agreed on in 1991 with the Group of 24, namely $250 million.

Due to the lack of foreign loans, the phenomenon that could not be avoided by any means was the reduction of the minimum necessary imports for the economy to the level of funds obtained from exports, something that led to the well-known effect on the development of the production process in March and April.

As for the allocation of hard currency resources, Romania's Government and National Bank had to chose among the followed alternatives: To let hard currency rates regulate the demand and supply of hard currency within the framework established on 15 November 1991, or to block, for some time, the mechanism of hard currency rates until the nature of the delay in foreign loans has been clarified and prospects for such loans throughout 1992 have been reconfirmed.

The government and Romanian National Bank chose the second alternative, because it was confirmed that the cause for the delay was of a bureaucratic nature and the duration of the delay was first assessed as one month, then as two months. Due to the absence of foreign loans for a limited period of time, the liberalization of exchange rates under conditions of tight imports—within the framework of which energy and raw materials are the most important—and the considerable hard currency deficit would have led to a great depreciation of the leu with devastating effects on prices and wages.

The problems of the hard currency balance were further complicated in this period by: The conduct of certain importers and exporters, which also deteriorated because of blocked exchange rates, who—through barter—used certain commodity exports—usually traded for cash—for the import of consumer goods. They caused delays in the transfer of hard currency into Romanian bank accounts. The pressure exerted on the leu exchange rate by speculators, as well as the thirst for

hard currency are increasing, because sums of money in the national currency are not protected against inflation.

The government has drawn the necessary conclusions from the situation that has arisen in the hard currency balance. Because of the hard currency deficit caused by the daily consumer needs of the economy and the population, the Romanian economy is dangerously dependent on foreign finances.

Today, the hard currency deficit accounts for 38 percent of the exports envisaged for 1992 and for 28 percent of imports. The foreign sources to which Romania has access for financing the hard currency deficit caused by the daily consumer needs of the economy and the population, are limited and declining. The limited and declining nature of foreign funds available for Romania's hard currency deficit stems from the real potential our country possesses to cover—by gradually increasing exports—the imports required by the daily consumer needs of the economy and population.

Given the emergence of the new countries of the former USSR, which require a tremendous amount of foreign finance for the same purpose, the financial institutions are being called upon to give priority to these requirements, but their resources are limited and they are the same as those to which Romania is appealing: the IMF, IBRD, and the Group of 24.

Consequently, Romania has to set an objective of paramount importance: To eliminate the hard currency deficit, namely, to stop creating foreign debts for the daily consumer needs of the economy and population. This objective does not mean that we have to renounce foreign credits, on the contrary, it means that they should be used for investment projects, so that, in cooperation with foreign investors, we will give an impetus to the development of our country's productive potential that will ensure the competitiveness of the Romanian economy and economic growth—the only real foundation for improving the standard of living.

There is only one alternative to this objective: In just a few years, we will have an economy characterized by obsolete technology, but we will also have foreign debts. One may legitimately ask the question: Is it possible this year to renounce the hard currency deficit for the daily consumer needs of the economy and population? The answer is no, because the efforts to adjust are much too great even for a single year. A simple calculation proves that the 1992 domestic gross product of about 4,500 billion lei is being achieved with imports of $5.4 billion. A reduction of imports to the level of exports, that is, by some $1.5 billion would decrease the domestic gross product by some 1,250 billion lei, that is, by 28 percent. Thus, not only would the number of unemployed increase far more than the number of unemployed resulting from the restructuring process under way, but the pressure exerted by inflation would be accentuated. Therefore, this government has to begin reducing the hard currency deficit. It would be desirable that the next government eliminate it completely by 1994.

Consequently, Romania has to reestablish its hard currency balance for 1992 on the basis of its own exports but also on the basis of foreign loans for the deficit caused by the daily consumer needs of the economy and population.

In accordance with international financial regulations, a country that requests foreign credits for financing its hard currency deficit caused by the consumer needs of the economy and population, usually has to convince its creditors that on the basis of its government programs it is acting toward eliminating the imbalances it has to cope with. To ensure foreign loans for the hard currency deficit in 1992, Romania's Government has taken the following measures: It has agreed, together with the IMF, on a new stand-by loan; it has agreed, together with the IBRD, on a loan for structural adjustment; and it will conduct negotiations on a fresh loan with the Group of 24.

On this occasion, together with the said financial organizations, the government re-examined all its policies in connection with continuing the economic reform, ensuring economic stability, and redressing the production process. On this basis, the government arrived at the conclusion that its program corresponds to the objectives pursued, but that additional measures are necessary aimed primarily at reducing the pressure of inflation and re-establishing the hard currency balance, especially by increasing its own efforts to lessen imbalances, strengthen trust in the national currency, and give a greater impetus to exports.

This government is aware that, through the accords on loans—to be endorsed by the boards of the given international financial institutions—which will be submitted to parliament for ratification, it goes far beyond the time span for which it has been invested. However, the government has taken this step, because the current lack of action, which blocks any chance of ensuring economic stability and redressing the national economy, is intolerable.

Measures to be taken by the government:

Starting from the need to consolidate economic stability and to redress the national economy, the government, together with Romania's National Bank, will take additional measures to radically reduce the inflation rate and to restore the hard currency balance.

Our major steps aim at: Raising interest rates to a real positive level [la niveluri real positive]—higher or at least equal to the inflation rate—and reducing them along with the reduction of the inflation rate; re-establishing the exchange rate of the leu in allocating hard currency resources for the hard currency market.

The new policy on interest rates will have the following effects: protect and give an impetus to people's savings, accumulations, and to the capital of economic enterprises; discourage those who consume more than they

produce and live on credit; discourage profiteering and encourage productive, creative, and profitable activity; lessen the pressure on the exchange rate of the leu. Interest rates will decisively contribute to restoring the basic balance of the economy—production-consumption-savings-investments—and, in this way, to reducing the inflation rate.

In applying the new policy on interest rates, Romania's National Bank and trade banks will ensure: an increase in the interest rate—from 29-35 percent to 50-60 percent or even 70-80 percent if the March-April price increase index requires it—for refinancing purposes as practiced by the National Bank; a substantial difference in interest rate levels for the tied savings accounts [deposite la termen] of the population and those of economic enterprises; higher interest rates for open savings accounts [deposite la vedere] of the population, and lower interest rates for available funds by economic enterprises in their bank accounts; (in other countries, one has to pay to deposit money in the bank); a differentiation of interest rates for credits granted by trade banks at least in the case of the interest rate for fresh credits for re-financing purposes; lower interest rates for old credits for financing long-term production investments—stocks and so forth as the case may be and in accordance with the possibilities of these banks—determined by the cost of the bank's credit resources; the further financing of agricultural spring operations from funds set up for this purpose by charging a 15-percent interest rate. This interest rate is half of the current interest rate. The financing by Eximbank—with a lower interest rate—of export production and exports; the implementation of the government programs for financing—with a reduced interest rate—agricultural smallholders, small-scale industry and services, and housing.

The restoration of the exchange rate of the leu and of the hard currency balance shall be achieved as follows: By gradually liberalizing the exchange rate of the leu under the supervision of the monetary authority;

—strongly encouraging exports by: permitting economic enterprises to have hard currency accounts; financing exports and export production through credits with low interest rates; and by a more intensive utilization of the existing system of incentives—tax exemption, repayment of customs duties, and so forth;

—reducing pressure on the exchange rate and hard currency balance by: discouraging non-essential imports by introducing customs surcharges; substantially increasing interest rates on deposits in lei and on credits in lei; the intervention, for balance purposes, by the monetary authority, which should, however, be limited because of the low level of hard currency reserves.

The operation of the hard currency system will be based on the following principles: Making all payments in Romania in the national currency and opening hard currency accounts only at Romanian or foreign banks headquartered in Romania. The exporters who do not repatriate hard currency over a certain period of time will be penalized; on the day the hard currency is deposited in the accounts, the exporters shall sell 30 percent of their earnings at that day's exchange rate. These operations will be performed automatically by trading banks, and the buyer will be the monetary authority, on behalf of the state's hard currency reserve. The daily exchange rate of the leu will be established on the money market in which Romania's National Bank and a limited number of trading banks will participate.

The application of the new policy on interest rates, the restoration of the exchange rate of the leu, and the other measures to reestablish the hard currency balance will increase pressure on economic enterprises to reduce stockpiles and accelerate capital rotation; diminish the amount of credits used to finance activities through capitalization; stop unprofitable production units; eliminate surplus work force; orient the production process toward exports by increasing product competitiveness; and look for foreign partners—briefly put—for restructuring.

The new interest rate policy and measures to restore the hard currency balance are clearly included in the government program on continuing the economic reform in 1992 and ensuring economic stability.

In this respect, the government will attach greater attention to the application of the anti-inflation, fiscal, prices, and income policies that have already been mentioned.

We will work to: gradually eliminate the tensions that still exist in the pricing system; strengthen financial discipline; prevent increased backwardness among economic units; eliminate the system export and import licenses, except for licenses for barter operations, rationed products, and other such things; reduce the number of products banned for export and rationed products; develop the program for social protection in accordance with the potential of the national economy and with the new realities of the transition period; accelerate the privatization process; and continue the fiscal, prices, and financial sectors reforms.

The government believes that apart from the issue of achieving the necessary accords to ensure foreign financing of the hard currency deficit, the Romanian economy is experiencing a period in which after it has eliminated many of the imbalances in the economy that are characteristic to a former socialist economy, a new interest rate policy and the restoration of the hard currency balance are needed.

Without trying to make comparisons, because each former socialist economy that is in a transition period is a specific case, we should mention that high interest rates were practiced in the decisive moment of the struggle against inflation.

And here is the last part of my report.

Measures regarding the reduction by 25 percent of subsidies in case of certain products and basic services and the policy of protecting population's income;

In accordance with the program announced by the government, starting in May we will begin the first stage of cutting subsidies for certain products and basic services for the population; for example, bread, milk, sugar, edible oil, electricity, and seasonal tickets for transportation, among others. The need for such an action is demonstrated not only through the important discrepancy created between prices paid by the population for these goods and services and the expenditures of the economic units, but also by the following reality: The social protection achieved through subsidies for the producer, becomes increasingly more ineffective and inequitable in a society in which continuous differentiation of monetary income is taking place. For example, a person who is earning 50,000 lei per month is paying 0.65 lei for 1 kilowatt of electricity, just like an unemployed person, although the price of one kilowatt today is 12 lei. In an economy opened to the world, the system of prices cannot be maintained for a long time on principles other than the ones that are also applied in neighboring countries, without producing an accentuation of poverty, by the fact that subsidized products are taken abroad. For example, tourists are taking school exercise books out of Romania.

As the economy is becoming more liberalized, a subsidized product is a product that usually favors black marketing and corruption. Entire subbranches of the economy depend on subsidies granted from the state budget, with negative consequences on the administration and autonomy of economic units such as the sugar, oil industry, and others.

The lowering of subsidies by 25 percent and the ensurance of adequate protection of the population's income will be achieved through the following criteria: For the products and services that are used by the entire population, such as electricity, bread, milk, sugar, edible oil, and others, prices will increase by 25 percent from the current level of subsidies.

The protection of income will be applied to all income categories: Wages, pensions, unemployment benefits, child care allowances granted by the state, and other benefits. All incomes will be protected by covering all of the effects of price increases, in accordance with the proportion these expenses have in the consumption of the family.

Concerning products and services used only by certain categories of people—such as season tickets for inter-city transportation for commuters—the increased charge will be determined by the economic agents, who will have a free choice concerning the amount they are willing to refund from their profits.

In the case of pupils and students, the increased transportation fees will be paid from the budget, within a social protection program for pupils and students and for pupils and students who belong to families with low incomes.

Exercise books for pupils and students: Prices will be established without taking into consideration subsidies, the price difference being granted to the Ministry for Education and Science, which will then establish allowances for pupils and students coming from low-income families, on the basis of the social protection program.

Schoolbooks will continue to be distributed to pupils free of charge.

Concerning the implementation of these measures, it may be proper to mention here that over the many days we examined and discussed the way we should apply social protection, we realized once more that we will have to start as soon as possible—and this is only the beginning—to activate certain protection programs directed toward certain groups that are entitled to receive social protection. Such is the case of pupils and students, who should be granted protection, and not tourists, who [words indistinct].

Concerning the implementation of these measures, a special problem is raised by cutting subsidies for live weight meat, which was temporarily introduced over the January-April 1992 period. This subsidy has become outdated. By such meat prices, we were put in the paradoxical situation of also subsidizing steaks consumed in restaurants. Thus, only 75 percent of the subsidies will be granted to meat and meat products listed in the social protection program, while in the case of all other meat and meat products prices will be altered by taking into account that live weight meat will no longer be subsidized.

Rents shall not be changed. The ceiling for the new prices and the proportion of the social protection are still under discussion at the National Indexation Commission and will be announced next week. The government also examined the possibility of completely eliminating subsidies as of 1 May, by granting adequate social protection. Because of the wide gap that currently exists between costs and prices, such an approach would lead to a great deal of pressure both on economic agents and the population, so the government is continuing with the announced program and we will still discuss this issue with the trade unions.

The government expresses its belief that the application of the measures presented will be supported by all political and social forces.

Thank you for your attention.

PNL Discusses Alliance Offered to PNT-cd

AU2704075692 Bucharest COTIDIANUL in Romanian 15 Apr 92 p 1

[Petru Ionescu report: "The National Liberal Party Tending Toward a Center Party"]

[Text] Yesterday's news conference of the National Liberal Party [PNL]—they have had so many of them lately that we have lost count—started with the statement of [spokesman] Sorin Butnaru, who wanted to tell the press that:

—The declaration of the PNL is, first of all, a proposal made to the National Peasant Christian Democratic Party [PNT-cd].

—The historical parties rely on what is left of the prewar political elite, but they also have young people in their staff.

—The PNL does not aim to protect certain persons, but to preserve certain values and institutions.

—The PNL is tending toward becoming a center party.

—We want to achieve detente in our political life, which has been made tense as a consequence of irresponsible statements made by certain people.

After this, journalists started asking questions, which were answered by the PNL representatives. Excerpts:

—West-European political life is moving in center-right.

—The PNL wants general privatization, but only if accompanied by a reparations program for social protection of those people who had much to endure over the last fifty years.

—Mrs. Neli Luchian asked whether PNT-cd is not being pushed toward a fait accompli compromise, the answer to it being that the principles of this future alliance will be established together with the PNT-cd.

—In case PNT-cd does not accept our offer, we will not retaliate, like the National Salvation Front [FSN] would, as this party is unable to be engaged in politics without violence.

—The PNL has both monarchist and republican members.

—The question "why have you returned to an alliance you formerly turned down in May 1990" was ambiguously answered.

—The PNL is very well represented throughout the country, but the PNT-cd is also very well represented.

—I (Botnaru) was not aware in 1990 of the role of the small parties grouped around the FSN.

—The Civic Alliance Party [PAC] is not as disputed as the Democratic Union of Hungarians in Romania [UDMR], one could still negotiate with the former.

—Concerning the PNL-Young Wing, anyone wishing to be engaged in liberal politics should do it together with us; what we are disputing is persons, not political groupings; we will not encourage immoral actions.

—Concerning the PNL's relations with the trade unions, contacts with the "Fratia" trade union association were termed good, like—in fact—"with all working people." "Fratia" has understood the opportunity of our initiative (as a proof of this, Mr. Mircea Popa, one of the leaders of "Fratia" was also present in the conference hall.)

—We hope that the hand we offered the PNT-cd will be accepted as is right and proper.

P.S. Although [PNL party leader] Radu Campeanu has rejected any connections between himself and President Ion Iliescu, with respect to their possible alliance, we learned—during the conversation we had with PNL representatives after the news conference—that in the case our future parliament will be dominated by the three historical parties, Mr. Iliescu may well become president again!

Presidency-Army Talks Held in Skopje

AU2504162292 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1300 GMT 25 Apr 92

[Marijana Jovovic-Bilandzic report from the International Press Center at the Presidency of Bosnia-Hercegovina]

[Text] A news conference is continuing at the International Press Center at the Presidency of Bosnia-Hercegovina. A few minutes ago, Alija Izetbegovic said that the Presidency session had just finished and that it was decided that talks between the Presidency and the Army on the status of Army troops in Bosnia-Hercegovina should begin tomorrow. These talks will include Izetbegovic, Blagoje Adzic, and Branko Kostic. The venue and time will be established later.

Regarding the news conference, the first speaker was Colonel Jovan Divjak, who spoke on behalf of the Territorial Defense of Bosnia-Hercegovina. He pointed out that the Ministry of Internal Affairs and the Territorial Defense Headquarters have sent letters to Doyle and Pereira expressing regret that the EC observers found themselves at [word indistinct] in the heat of the clashes.

Divjak told reporters that in some parts of the republic terrorism is still being perpetrated against Muslims, but also against Serbs. He said that in Zvornik on 23 April someone set four (?Serb) houses on fire. Terrorism against Muslims is continuing in Visegrad as some 30 houses have been burned. A group of Serbs was caught in Mostar, he said, and taken to an unknown location. These are only a few details from Divjak's speech, in which he also said that several soldiers from (?Celebic), whom the Army said had been arrested, left the (?unit) on their own. [passage indistinct]

Divjak also pointed out that the Army has recently removed large quantities of equipment (?and that) young recruits in barracks have been replaced by reservists. He also said that a more intensive relocation of military family members has been noticed recently.

We have also received an announcement today from the Republican Presidency, that is, of the Territorial Defense Headquarters, which says that the Presidency has adopted a decision regulating the rights of Territorial Defense members, particularly for enlisted men and officers. The Presidency decision also bans movements of the vehicles and units of, as it was put, the former Yugoslav People's Army, particularly in towns and populated areas, unless the Ministry of Internal Affairs of Bosnia-Hercegovina is advised and a request for their (?passage) made in advance. On the basis of the ministry announcement on the movement of units, the public security stations of the Ministry of Internal Affairs are going to escort vehicles from the point of departure to a certain location and [word indistinct]. Ministry of Internal Affairs and Territorial Defense units are authorized to prevent any unannounced movement of Yugoslav People's Army units, the announcement says.

This is all from the International Press Center.

President Attends

LD2604121692 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 26 Apr 92

[Slavko Rako report from Sarajevo]

[Text] Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, took off from Sarajevo airport at around 1000 GMT this morning to attend negotiations on the status of the Yugoslav Army in this republic. Alija Izetbegovic is to hold talks with General Blagoje Adzic and Branko Kostic, vice president of the Serbo-Montenegrin Presidency. As we have learned from circles close to the Bosnia-Hercegovina Presidency, the negotiations are to be held in Skopje this afternoon. The same sources also said the talks were initiated by Branko Kostic, who proposed that the talks take place in Belgrade; Alija Izetbegovic proposed Sarajevo.

Reports from Zvornik confirm that there is no cease-fire in Bosnia-Hercegovina today. This morning the so-called Serbian territorials launched an attack on defenders at Kula Grad with all the weapons at their disposal. According to a statement by Colonel Vehbija Karic, a member of the Bosnia-Hercegovina territorial defense headquarters, the Serbian paramilitary units seized Kula Grad and some Muslim villages in the vicinity of Zvornik are now being attacked from Mali Zvornik in Serbia.

The Sarajevo security services center reported that Sarajevo was peaceful this morning, while so-called Serbian territorials were plundering houses in the suburb of [name indistinct] and mistreating those citizens who have not fled.

A convoy of Geneva International Red Cross representatives, European Community monitors, and representatives of the municipalities of Banja Luka, Bosanski Petrovac, and Bihac have set out for Bosanska Krupa in their second attempt to reach the ruined town.

Talks between the three ruling Bosnia-Hercegovina parties on the transformation of Sarajevo Radio and Television are underway at the Sarajevo Radio and Television building under the chairmanship of EC representative Colin Doyle. The talks were initiated by representatives of the Serbian Democratic Party. Last night they ordered unidentified persons to switch off Sarajevo TV-2 programs at the Trebevic transmitter and to switch on Serbian TV-2 for the citizens of Sarajevo. This move was in line with their famous principle: Seize as much as you can in fighting; what you cannot seize, ask that it be divided into three parts or be destroyed.

Army 'Will Not Withdraw'

LD2604201392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1905 GMT 26 Apr 92

[Text] Sarajevo, 26 April (TANJUG)—Yugoslav People's Army [JNA] units will not withdraw from Bosnia-Hercegovina, 2d Military District Commander Colonel General Milutin Kukanjac said tonight in a statement for TANJUG, in response to the start of talks on the future of the Federal Army on the territory of Bosnia-Hercegovina.

The army will be transformed in a way that will be agreed by the legitimate representatives of the three Bosnia-Hercegovina nations: Muslims, Serbs and Croats, General Kukanjac stressed.

In order to create conditions for the agreement of representatives of the three nations of Bosnia-Hercegovina and to halt the transformation of the JNA in those areas where it has already begun, it is necessary to end all confrontations and to separate the warring sides, Kukanjac said.

According to him the next condition is that all Croatian formations, whose number, as General Kukanjac put it "is considerable" in these areas, should unconditionally withdraw from Bosnia-Hercegovina.

Essential discussions on the position of the present army in these areas can start only when representatives of the three nations reach a definite agreement on the political organization in Bosnia-Hercegovina, Kukanjac pointed out.

Until then, he stressed, the units of the 2d Military District will be under the command of the JNA Supreme Command Headquarters.

Political Solution Urged

LD2604184992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1805 GMT 26 Apr 92

[Excerpt] Skopje, 26 Apr (TANJUG)—[passage omitted] According to a statement issued by today's meeting in Skopje, having considered the very complicated situation in Bosnia-Hercegovina, the participants in the meeting appealed to all armed formations on the territory of Bosnia-Hercegovina to observe the existing ceasefire, to remove road and railroad barricades, and to lift the blockade from all barracks and other Army facilities.

Particular emphasis was placed on the need to lift the blockade from Sarajevo airport. This problem will be urgently considered by competent Army bodies and relevant organs of the Republic of Bosnia-Hercegovina.

It is stressed in conclusion that the participants in the meeting agreed on the need to seek political solutions to the situation in Bosnia-Hercegovina and accordingly spoke in favor of resuming the EC-sponsored talks.

Kostic Assessment

AU2604203292 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 26 Apr 92

[Interview with Vice President of the SFRY Presidency Branko Kostic by unidentified reporter on 26 April in Skopje after talks on the status of the Army in Bosnia-Hercegovina—recorded]

[Text] [Reporter, in Macedonian] Mr. Kostic, after these talks, can we look with some optimism on the situation in Bosnia-Hercegovina?

[Kostic, in Serbo-Croatian] Well, we only started these talks today. This was the first exchange of views. Considering that Bosnia-Hercegovina has already been recognized by a number of countries and the constitution of the federal republic of Yugoslavia is to be promulgated tomorrow, it was natural for us to start talks on the status of the Yugoslav People's Army in Bosnia-Hercegovina. We were able today to hear different views on these possible forms for the transformation of the Yugoslav People's Army and its status on the territory of this republic.

What is probably the most interesting thing for many of our citizens, particularly for citizens in Bosnia-Hercegovina, is that Mr. Izetbegovic did not demand or ask that the Yugoslav People's Army leave the territory of Bosnia-Hercegovina. In any case, it is realistic to expect that the settlement of the political status of Bosnia-Hercegovina will be sought in a peaceful way, with political means—in our assessment within the framework of the peace conference being led by Mr. Cutilheiro—and, depending on the political agreement on the state and political status, the status and position of the Yugoslav People's Army on the Bosnia-Hercegovina territory will also be regulated in a practical manner.

Talks Said 'Very Useful'

AU2604204692 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 26 Apr 92

[Statement by General Blagoje Adzic in Skopje on 26 April after the talks on the status of the Army in Bosnia-Hercegovina—recorded]

[Text] Considering that the two main leaders [Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, and Branko Kostic, vice president of the SFRY Presidency] have made statements, I will not say very much. I think that the talks were very useful and that they will continue. It must be realized, however, that resolution of the problems we discussed today depends on a political solution for Bosnia-Hercegovina.

If the three peoples there come to an agreement to quickly resolve the status of the new state, there will be no problems whatsoever regarding the armed forces.

Today, among other things, we did what was objectively possible, and that was analyze the situation. We reminded ourselves again how it is viewed, and we saw that this is a war that is leading to an interminable conflict, that reason truly must prevail, and that an agreement must quickly be reached. As soon as it is reached, I think that all the other problems will be easy. Thank you.

Izetbegovic Views Talks on Army Status

LD2604173892 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 26 Apr 92

[Report from Skopje by correspondent Marija Damjanovska]

[Text] Talks between Izetbegovic, Adzic, and Kostic, in Skopje about a cease-fire in Bosnia-Hercegovina and the future status of the Yugoslav People's Army in this republic ended at about 1800. At a news conference afterwards, President Alija Izetbegovic said: There will be no sensational developments in the situation but I think that we have embarked on a process of talks that will result in either the withdrawal of the Army from Bosnia-Hercegovina or its radical transformation into the armed forces of a single and independent Bosnia-Hercegovina. He added that talks will have to continue. In the meantime, he stressed, efforts must be made to avoid confrontations with the Army.

Reference was also made to the lifting of the airspace blockade and the solution of the status of Sarajevo airport. This can be expected soon. We have also sent a call for a cease-fire. This has been accepted, but the problem is that it these are only words. There must be a cease-fire, President Izetbegovic stressed.

Asked how long it would take to transform the Army, Izetbegovic said that this should be done as soon as possible and that the outcome would be a small, nationally balanced army. The plan is that part of the equipment and facilities should be handed over to Bosnia-Hercegovina.

In reply to a specific question about the end of the war, Izetbegovic said that any further comment would be made only after the conference in Lisbon.

Questions Army Goodwill

LD2604210192 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 26 Apr 92

[Text] On his return from Skopje to Sarajevo this evening, Alija Izetbegovic stated the following: I went to talk to the Army representatives in order to find out if there exists goodwill on the part of the Army to resolve the situation in a peaceful manner. Izetbegovic went on to stress that so far the Yugo-army has shown goodwill in words only.

We asked the Army to lift the blockade of Sarajevo airport and of Sarajevo itself, in particular, and to help to unblock roads, Izetbegovic said, adding that otherwise he would have to call on the citizens of Bosnia-Hercegovina to resolve problems on their own.

Alija Izetbegovic explained why he had not asked the Army to withdraw from Bosnia-Hercegovina by noting that the majority of the Army personnel in Bosnia-Hercegovina are Serbs and that a demand for withdrawal would lead to the majority of them switching over to the paramilitary units.

Speaking about the existing cease-fire, and referring to the region of Hercegovina and the Army's statement that it will respect the cease-fire providing it is not attacked, Izetbegovic said that he told the Army that he will try to influence the other side not to launch attacks. Asked if this means that the Army is in a state of confrontation with the population in western Hercegovina alone, and if he is deliberately ignoring the Army's activities in other areas of Bosnia-Hercegovina where it is also taking part in the destruction, Izetbegovic said that it is only in Hercegovina that the Army's participation in aggression can be definitely verified and that concrete evidence is not always available in other areas. He also said that his aim is not to exacerbate relations with the Army and that he has to leave some space for maneuver for himself, but that there is nothing controversial in someone else saying that [sentence as received].

Sees 'Process' Beginning

AU2604194092 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 26 Apr 92

[Interview with President of the Bosnia-Hercegovina Presidency Alija Izetbegovic by an unidentified reporter in Skopje on 26 April, after talks on the status of the Army in Bosnia-Hercegovina—recorded]

[Text] [Reporter, in Macedonian] Mr. Izetbegovic, have you achieved any results?

[Izetbegovic, in Serbo-Croatian] There have been no sensational developments, but I think that a process, a process of consultations, has begun that will finally lead to either the Yugoslav People's Army leaving Bosnia-Hercegovina or to its radical transformation, which would at the end of this process turn it into a Bosnian, the Armed Forces of Bosnia-Hercegovina. These talks have begun, and these are only the first talks of this kind and they must be continued, of course.

[Reporter] Would that be a joint army of Bosnia-Hercegovina or of only one part?

[Izetbegovic] A joint army of Bosnia-Hercegovina, the armed forces of Bosnia-Hercegovina. That is to say, this process will lead to one or the other solution. This is obviously what can be said at the moment, especially as we will, of course, avoid what I would call any confrontation with the Army. We do not, of course, need this, given the present situation. It was agreed... [changes thought] A call was made for the roads to be cleared there

and for the resolution of the issue of the Sarajevo airport, that is the lifting of the blockade... [changes thought] the opening of the Sarajevo airport which is, as you know, closed. I think that will soon be carried out.

Then, of course, there was a call for an effective cease-fire and for the cease-fire to be respected, which was otherwise established two or three days, in fact on 12 April, and then repeated, as you know, two or three days ago.

[Reporter] That means that the most important thing regarding providing peaceful conditions has more or less been agreed on?

[Izetbegovic] Yes, but the problem lies in the fact that so far we have just a declaration. Now it must be implemented.

Izetbegovic Will Not Attend Lisbon Talks

LD2704111892 Belgrade TANJUG Domestic Service in Serbo-Croatian 0948 GMT 27 Apr 92

[Text] Sarajevo, 27 Apr (TANJUG)—TANJUG has learned from the Office of the President of the Bosnia-Hercegovina Presidency that Alija Izetbegovic, who participated in all meetings of the three national parties leaders in the capacity of chairman of the Party of Democratic Action [SDA], will not go to today's international conference on Bosnia-Hercegovina in Lisbon.

The delegation of the Serbian Democratic Party [SDS] will be headed by Radovan Karadzic, and that of the Croatian Democratic Community [HDZ] for Bosnia-Hercegovina will be headed by Miljenko Brkic, the acting chairman of the HDZ for Bosnia-Hercegovina.

The Office of the President of the Bosnia-Hercegovina Presidency did not provide any more detailed explanation as to why Izetbegovic is not going to Lisbon. The SDA Central Office only told TANJUG that the delegation of that party for the talks in Lisbon has not been appointed yet.

Serbian Leader Karadzic Departs for Talks in Lisbon

AU2704071492 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 26 Apr 92

[Text] Prior to his departure for Lisbon, where the conference on Bosnia-Hercegovina is supposed to resume 27 April, Dr. Radovan Karadzic, leader of the Serbian delegation made the following statement for SRNA [Serbian News Agency]:

We are satisfied with the fact that the political option is taking precedence over the war option. As known, the conference on Bosnia-Hercegovina was initiated by the Serbian side, which also made everything possible for the talks not to break. I think that the conference should continue from where it stopped on 12 April, when it was decided that the new job of the conference should be to draw up maps of the constituent states.

Deputy Premier on Cease-Fire, Economic Loss

LD2404211692 Budapest Kossuth Radio Network in Hungarian 1630 GMT 24 Apr 92

[Excerpts] In recent days we have been getting reports from Bosnia about increasingly bitter fighting. [passage omitted] Vilmos V. Kovacs has telephoned Mohamed Cengic, deputy premier of Bosnia:

[Begin recording] [Kovacs] The situation in Bosnia-Hercegovina is alarming in spite of the fact that the opposing sides signed a cease-fire agreement yesterday. What has happened since then?

[Cengic in Serbo-Croat with superimposed Hungarian translation] The trilateral agreement was immediately broken, so this agreement is virtually not in force. True, there is no shooting in Sarajevo now, but there was some. During the evening artillery weapons were fired. Only the Serbian territorial defense units have such weapons. Therefore, they were the ones who broke the cease-fire, which is a very bad sign.

[Kovacs] Could it happen that they were not informed in time about the agreement?

[Cengic] Two things might have happened: One is that they really did not receive notification; the other is that these armed men have slipped out of the control of Serbian leader Karadzic. The artillery attack stopped at around midnight, but this morning a one-hour attack began at 0700. Therefore, even if they did not receive notification in the evening, by morning they should have known about the agreement.

[Kovacs] After this, can the Bosnia-Hercegovina talks continue?

[Cengic] According to plans, they should continue on Monday; however, in order for the talks to begin it would be necessary for every type of armed action to stop, because these do not only claim human lives but they destroy the republic's economy too.

So far, the Mostar aluminum processing plant has been destroyed, and the loss of the iron works in Zenica is only a matter of days. It is feared that the thermal power stations will come to a halt, because they do not receive raw material. The Republic's power supply system faces collapse. And the situation could deteriorate to the point of Bosnia-Hercegovina being set back 60-70 years in development.

For this reason, I would call on everyone who is able to do anything to come to Sarajevo and help to halt the destruction.

[Kovacs] With whom would they have to speak?

[Cengic] With the party leaders; first and foremost with Radovan Karadzic, who wants to solve the issue by force.

[Kovacs] A few minutes ago you spoke with the Serbian Government. What are relations like with Belgrade and Zagreb?

[Cengic] I began a private initiative. I want to tell those in Belgrade that they were misinformed, and I am also ready to go to them, or to receive them here in Sarajevo, which would enable them to be convinced, themselves, about the situation. It would be good if the representatives of the Zagreb and the Belgrade authorities were to come to Sarajevo.

I spoke with those in Zagreb only before the war. The Slovenes and the Macedonians, however, have telephoned me several times and assured me of their support. They have also expressed their regret at the events, but this is no consolation for me.

[Kovacs] There is another side with which it would be necessary to hold talks—the Army. [passage omitted]

[Kovacs] Do you not think that General Kukanjac is misleading you? The weapons are still thundering in the Republic.

[Cengic] The federal units in Bosnia-Hercegovina are directed from two places, from Sarajevo and from Uzice, in Serbia. There is relative calm in the territories under the control of the Sarajevo district, but a genuine war is going on in the territories belonging to the Uzice district.

What is certain is that in the area belonging to the Sarajevo district, the Army is watching what happens, and where armed clashes begin, the Army prevents the activity of (?those) defending Bosnia-Hercegovina. That is why it is necessary for a high-level delegation to hold talks with Gen Kukanjac and to discuss with him what the Army wants in Bosnia-Hercegovina.

[Kovacs] Does this mean that the events in Bosnia-Hercegovina in the area falling under the Uzice Army Corps are directed from Serbia?

[Cengic] That is so, from there. I do not know whether the events are directed from Belgrade or Uzice, but it is certain that there are Uzice reservists in Hercegovina.

[Kovacs] What must be done to ease the situation?

[Cengic] I would consider it very useful if the neighbors of former Yugoslavia—Italy, Austria, Hungary, Romania, Greece, and Albania—were to send their ambassadors to Sarajevo. Because as long as there are diplomats in Sarajevo, there is calm in the city. But when the diplomatic representatives go away, the bombing begins immediately. Five or six diplomats would be of more use than 200 observers.

[Kovacs] Is there a possibility that the United States and the other big powers will send their ambassadors?

[Cengic] Yes, and I believe they will do so. What I am asking for is not for an immediate opening of the embassies, but that the ambassadors be here for 10-20 days, because this madness cannot last for a long time.

In two weeks, an unprecedented collapse is expected. Famine will break out, infectious illness will appear—for example, there is no food and there is no medicine in Gorazde.

You can even interpret this as a call for help from the deputy head of the Bosnia-Hercegovina Government, which is addressed to another people, to every state. Because believe me, horrific things are happening here. The world should not allow this. [end recording]

French Minister Arrives With Medical Aid

LD2504110692 Paris Antenne-2 Television Network in French 1100 GMT 23 Apr 92

[Interview with Bernard Kouchner, French minister of health and humanitarian action, by correspondent Stephane Manier, in Sarajevo on 23 April—recorded]

[Excerpts] Bosnia-Hercegovina is in the eye of the Yugoslav hurricanes. It is one of the republics of what was once Yugoslavia, one which the Serbs want to keep. There has been fighting around Sarajevo in recent days, and this morning Bernard Kouchner, French minister of health and humanitarian action, arrived in Sarajevo with medicines. Stephane Manier reports.

[Manier] [passage omitted] The inhabitants of Sarajevo owe the present lull in the fighting to diplomacy, because none of the adversaries wants to appear as an aggressor during the visit of a foreign minister. The first to land this morning was Bernard Kouchner, who arrived in a plane transporting 25 tonnes of humanitarian aid.

[Kouchner] It is very difficult, but quite essential, to make people understand that this humanitarian aid is for the benefit of the two or three communities, and that it is absolutely the beginning of a dialogue. [passage omitted] Everyone said things are worse in Bosnia.

[Manier] Do you agree with the Americans that it is the Serbs who are responsible?

[Kouchner] Listen, please. Let us not add any more fuel to the fire. I agree that people should speak to one another, and I am trying, on behalf of France, to encourage that dialogue. [passage omitted]

UN To Position Military Observers in Areas

LD2504000392 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 24 Apr 92

[Text] Frederic Eckhard, the official UN Protection Force representative for public relations, said that in accordance with General Satish Nambiar's request, military observers will be positioned in Mostar, Stolac, Trebinje, and Capljina municipalities starting 30 April. They will establish close cooperation with local authorities and do everything possible to calm the situation and

ease tension in these areas. He said that the observers will be unarmed, will work in 10-man units, and will have [words indistinct]. Eckhard said that once these areas are demilitarized, the units will be deployed in Bihac and Dubrovnik, adding that the military observer unit consists of 102 officers from 28 countries.

Military Observers Deployment Approved

LD2504110292 Belgrade TANJUG in English 0851 GMT 25 Apr 92

["Pool" item]

[Text] United Nations, April 25 (TANJUG)—U.N. Security Council unanimously adopted late on Friday night a document providing for the deployment of 100 military observers in the Yugoslav Republic of Bosnia-Hercegovina.

Of the total number, 41 will immediately head for the area of the city of Mostar to help implement the ceasefire agreement, reached on April 23. These observers are members of the U.N. peace-keeping force in Yugoslavia (UNPROFOR).

The adopted document passes identical procedure as does a resolution but is one step below it in force. The decision requests all the conflicting sides to hold fire and unanimously condemns the use of force in Bosnia-Hercegovina regardless of who applied it. All three sides in Bosnia-Hercegovina are called on to return to tripartite negotiations on constitutional solutions.

The Security Council also voiced a statement demanding that all forms of interference from without the republic be stopped. It also asked all the neighboring republics to do all they could to prevent such interventions from their respective territories.

The U.N. secretary-general's report based on the findings last week of his special envoy Cyrus Vance will be separately considered as the urgency of the matter only a statement, proposed by France and upheld by Belgium and Great Britain, was adopted. On the previous day the same was requested by Austria, but it also demanded that Serbia and the Yugoslav Army be condemned strongly. The Security Council turned this down.

The original French proposal contained also the engagement of U.N. peace troops in Bosnia-Hercegovina, but this did not meet with approval at the closed sessions during which French Ambassador Merime set out that there were elements of aggression of those forces which enjoyed the support of the Yugoslav Army. Although this part was dropped, the French ambassador said he accepted the statement, but still insisted on stationing U.N. troops in Bosnia-Hercegovina.

Cease-Fire Agreement Reached in Bosanska Krupa

LD2504175292 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 25 Apr 92

[Text] An agreement on an absolute and unconditional cease-fire on the Bosanska Krupa battlefield has been signed at a meeting in Bosanski Petrovac between representatives of all warring sides in the presence of the EC monitoring mission and the UNPROFOR. The agreement is to come into force at 1900 GMT this evening. Between 0500 and 1000 GMT tomorrow morning, the warring sides will be separated and then joint patrols of the Ministry of Internal Affairs will enter the demilitarized zone in order to maintain peace and joint missions in order to identify the dead.

Patrols, Hot Line To Reinforce Agreement

AU2504200092 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 25 Apr 92

[Muhamed Mulic report]

[Excerpts] A meeting in Bosanski Petrovac of the representatives of the communes of Bihac, Cazin, Bosanska Krupa, Bosanski Petrovac, and Velika Kladusa devoted to resolving the clashes in the Bosanska Krupa region concluded late this afternoon. Fikret Abdic, member of the Presidency of Bosnia-Hercegovina, and Lieutenant General Spiro Nikovic, commander of the Bihac Corps, also took part in the meeting.

Agreement was unanimous that an absolute and unconditional cease-fire in the Bosanska Krupa region should be established at 2100 this evening and that the so-called telephone hot line between the warring sides be established by 0700 tomorrow. It was also agreed that the warring sides should be separated at the point of contact by 1200 tomorrow and that mixed patrols made up of members of militia from other Krajina communes should begin to operate immediately.

The details of separation, including the insignia to be worn by militia patrols and everything else making up the conditions for stopping the conflicts in Bosanska Krupa, will be discussed in Bihac at 2200 today. [passage omitted]

Let me conclude by saying that shooting continues in Bosanska Krupa and mortar shells are falling on various parts of the town.

Croatian Leader Endorses EC Proposal

LD2704075892 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 27 Apr 92

[Text] Mate Boban, president of the Croatian Community of Bosnia-Hergovina, sent a letter to Jose Cutilheiro, coordinator of the peace conference on Yugoslavia; Alija Izetbegovic, chairman of the Party of Democratic Action [SDA]; and Radovan Karadzic, chairman of the Serbian Democratic Party [SDS] for Bosnia-Hercegovina. The

letter proposes that in accordance with an EC proposal, a Ministerial Council of Bosnia-Hercegovina should be formed immediately consisting of nine members—three from each nation—as the only body of the interim government of Bosnia-Hercegovina.

Army Blamed for Heavy Fire in Mostar

AU2504212492 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2000 GMT 25 Apr 92

[Excerpt] We have just established contact with Mostar. Asim Mango is there:

[Mango] Good evening, if one can say that in Mostar. This is indeed a bloody night here, a night that will certainly be remembered in this Hercegovina town. One of the vital facilities, the pride of this town, the old bridge, is being attacked. Grenades are falling in the center of the old part of town. Fire is being directed at religious buildings, numerous mosques, the cathedral, and the Bristol Hotel where there are only refugees, women and children. Houses in Jasenica are being burned and looted. This continued throughout the day. Some 20 houses have been destroyed. Firemen and the civil protection units are very busy, but they are being fired on in order to hinder their work. Is it necessary for more than 100 houses to be destroyed in [names indistinct] local communes that are vital for Chetniks. Just imagine what it looks like when a multiple rocket launcher hits these parts of town.

The Mostar Commune crisis headquarters informs residents that it had obtained promises from the defenders of the town to observe the cease-fire, but the so-called Yugoslav People's Army did not observe a single agreement. [passage omitted]

Sarajevo 'Fairly Quiet' in Night of 24, 25 Apr

LD2504080492 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 25 Apr 92

[Text] Although Sarajevo was fairly quiet last night, several explosions were heard, Radio Sarajevo reported this morning.

At 1730 yesterday, 12 grenades fell on the area of (Laslov Han) in the Zmajica District, causing some material damage but no injuries. Last night at about 2300, shelling of the Mojmilo District began and a dozen grenades fell around the Square of the Regional Anti-Fascist Council for the National Liberation of Bosnia-Hercegovina and close to the Olympic sports center. There were no casualties but the material damage is considerable. During the night there was some shooting in the town.

Radio Sarajevo reported the release last night of 200 women and children who were to have left the war-stricken area yesterday but were held all day as hostages by the Serbian armed forces near Vrela Bosna in Ilidza. One woman doctor was detained as a hostage.

Derventa Barracks Reportedly Captured

LD2504172492 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 25 Apr 92

[Text] The barracks in Derventa are now in the hands of the town defenders. This is the second barracks in Bosnia-Hercegovina, after the barracks in Capljina, to have been occupied by members of the Croatian-Muslim defense formations.

Formations of the Croatian defense council of Livno drove the Yugo Army two kilometers away from Celebic toward Bosansko Grahovo. Nine tanks have been destroyed and 130 Chetniks killed over the past two days; 12 defenders have also been killed, the Livno defense headquarters has confirmed. The enemy has been constantly bringing in reinforcements from Glamoc, Kupres, and Grahovo to its positions near Livno.

Bosanska Krupa Demobilization Decision Reached

LD2504002192 Belgrade TANJUG in English 2153 GMT 24 Apr 92

[Text] Bihac, Yugoslavia, April 24 (TANJUG)—Representatives of various political parties in the towns of Bihac, Bosanski Petrovac and Bosanska Krupa in eastern Bosnia reached agreement today with representatives of the Geneva-based International Committee of the Red Cross (ICRC) and the United Nations that a demobilization be completed within three days in the commune of Bosanska Krupa.

Joint Serb-Moslem active police patrols from outside Bosanska Krupa and sized according to the parity principle will be formed to oversee the peace.

A convoy carrying representatives of the ICRC, the towns of Bihac, Cazin, Bosanski Petrovac and Banja Luka, the E.C. observer mission and the U.N. peacekeeping forces set out this afternoon from Bihac towards Bosanska Krupa.

Its task is to evacuate the wounded and those who want to leave Bosanska Krupa and to identify the bodies of those killed in the town.

A cease-fire was agreed in the ethnically mixed town last night, but the fighting flared up again his morning.

Serb territorials are in control of the town, but hills on the left bank of the River Una are held by Moslem forces.

Bosanski Brod Oil Refinery Director on Damage

AU2504210892 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 25 Apr 92

[Zoran Cvorak report from Bosanski Brod]

[Excerpts] It is relatively calm in Bosanski Brod. Occasional explosions are heard in the suburbs and there are problems in the town itself. There is no electricity or

water. There have been some injured and killed, but there is no official data available on that.

Although it is relatively calm, the oil refinery is still the topic of the day. Here is what Tomislav Sahic, director of the Bosanski Brod Oil Refinery, said in an interview with the Bosanski Brod Studio of Free Bosnia Radio:

[Begin Sahic recording] Two days ago, on 23 April, the refinery suffered the greatest amount of destruction in its history. Hundreds of grenades have fallen on the refinery, which covers about 138 hectares. The damage is huge: reservoirs, pipelines, refining equipment [procesna postrojenja], control rooms, a restaurant, offices [upravna zgrada], a health center, transformer stations, and workshops have all been hit. No building in the refinery has escaped damage. [passage omitted]

All shells hitting the installations have come from the south and east. [end recording]

The southern and eastern regions of Bosanski Brod are still held by Serbian territorials helped by the former Yugoslavian Army. Incessant fire from all kinds of weapons is coming from the direction of Lijesce, Umka, and Zboriste. The situation in Bosanski Brod is difficult, but its defenders are keeping it under control.

Casualties Continue in Foca Area Fighting

AU2604210892 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 26 Apr 92

[Semso Tucakovic report from Foca]

[Excerpt] Neither the great Orthodox holiday of Easter, nor the truce agreement signed by leaders of the national political parties, was enough to stop the armed clashes in Foca.

Fighting continued yesterday evening and last night after a short lull yesterday. The clashes were between the paramilitary forces of the Serbian Democratic Party aided by Seselj's forces and volunteers from Serbia and Montenegro on the one side, and the Foca Territorial Defense units formed [words indistinct] Presidency of Bosnia-Hercegovina on the other side.

A fierce clash was reported near the village of Filipovici near Zeljevo. The communal headquarters says that the attacking units received a ready response, with one of their troops killed and several others wounded.

Although it is Easter today, mortar fire was being continued in the Foca area during the entire afternoon. One of the attackers' units headed toward the Ustikolina and set the village of Paunci on fire. People in the Foca Defense Headquarters say that the fighting is continuing. [passage omitted]

Mesic Denies Involvement in Aggression in Bosnia

LD2404200792 Belgrade TANJUG in English 1836 GMT 24 Apr 92

[Text] Zagreb, April 24 (TANJUG)—Croatia is not taking part in the aggression against Bosnia-Hercegovina, President of the Executive Council of Croatia's ruling Croatian Democratic Union (HDZ) Stjepan Mesic claimed at a news conference in Zagreb today.

Mesic did not deny, however, that "many personnel from the ranks of the Croatian Army" were active in Bosnia-Hercegovina. Asked how many, he said the exact figure was difficult to estimate.

After the first demobilization, which encompassed some 20,000 troops, some who hail from Bosnia-Hercegovina went there to defend their homes, he said.

Mesic is an ex-Yugoslav presidency president well known for telling the Croatian parliament that he had "completed his mission" by dismembering Yugoslavia.

Similar "explanations" about Croatian soldiers in Bosnia-Hercegovina have been issued by the HDZ party of Bosnia-Hercegovina, which urged all "self-organized Croat forces" to "place themselves under a single command in the defence of Bosnia-Hercegovina."

Defense Ministry Denies Accusations

LD2404201692 Zagreb HTV Television in Serbo-Croatian 1730 GMT 24 Apr 92

[Text] In connection with information from the former Federal Secretariat for National Defense in Belgrade, stating occasions on which the Croatian Army breached the cease-fire, the Defense Ministry of the Republic of Croatia has resolutely denied all such claims, especially those referring to activities of the Croatian Army on the territory of the Republic of Bosnia-Hercegovina.

It is certain that demobilized members of the Croatian Army who were born in Bosnia-Hercegovina have voluntarily gone to that republic and joined units which are under the direct command of the Croatian Defence Council leadership in Bosnia-Hercegovina. The Defense Ministry of the Republic of Croatia is therefore stating and stressing again that units of the Croatian Army are present only on the territory of the Republic of Croatia, and that the Defense Ministry is by all peaceful means advocating the continuation and observance of the signed cease-fire.

UNPROFOR Commander Defends Actions of Force

LD2604182292 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 26 Apr 92

[Text] In response to recent attacks in Croatia, the Ministry of Defence has issued its 147th protest note over the violations of the Sarajevo agreement. In the note, the Defense Ministry calls on the EC observer mission and the UN liasion officers to use all envisaged means to prevent the aggressor from further breaching the cease-fire and international conventions.

In another development, the commander of the UN Protection Force [UNPROFOR], General Nambiar, yesterday replied to letters from Milan Ramljak, vice president of the Croatian Government. The letters were sent to senior officers of UNPROFOR in response to the expulsion of Croats from the territory of eastern Slavonia.

Here is the full text of General Nambiar's reply:

As I did not return to Sarajevo until last night, it is only now that I can attentively study the facts we collected on the expulsion of people from the east sector. Many of these facts have been confirmed by the members of UNPROFOR. In some cases UNPROFOR could stop potential disturbances of this type. However in other cases, such as the expulsion of Croats from Vukovar, Tenja, and Marinci on 20 April, UNPROFOR was not able to do that. We were not informed in time and when our units arrived at the spot they found very scared people who wanted to leave. The actions of the units of UNPROFOR were aimed at preventing anything bad happening to these people at the hands of drunk and armed individuals who were at the scene of the incidents.

Unfortunately, such behavior appears to have been totally misinterpreted by some sections of the Croatian media. As for the activities of Mr. Lubin, our coordinator for civilian affairs, to which attention was drawn in your letter to Mr. Thornberry on 20 April, I must categorically state that such claims are completely unfounded. I would also like to add that on 23 April Mr. Lubin met Mr. Kramaric, mayor of Osijek, and as far as I understood it, this incident was resolved to the satisfaction of Mr. Kramaric.

In the meantime, the UNPROFOR has deployed its patrols in the east sector in the hope of preventing future incidents. At the same time we have lodged a sharp protest with the authorities in Belgrade over theses events, which in our view are exceptionally serious. We expect to assume full responsibility in all areas within the next two or three weeks. I wish to assure you that we will spare no effort to provide the necessary conditions for the return to their homes of these unfortunate people, General Nambiar stresses in his letter to Dr. Ramljak.

UN Forces Deployed in East Slavonia, Baranja

LD2504125692 Zagreb Radio Croatia Network in English 1205 GMT 25 Apr 92

[Text] The UNPROFOR [UN Protection Force in Yugoslavia] spokesperson (Frederick Eckart) stated yesterday that the deployment of the UN peacekeepers in Eastern Slavonia and Baranja has almost been completed.

He added that the UN troops can still not take responsibility for the so-called eastern sector, and that this cannot be done before a joint military commission made

up of the representaives of both the Croatian and the Yugoslav Army and also the UNPROFOR representatives is formed.

Slovenes Question Krsko Nuclear Plant Safety

LD2504120792 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 24 Apr 92

[Text] The safety of the Krsko nuclear plant and the plant's impact on the environment in the first quarter of this year have met the approved standards. However, there was a somewhat greater warming of the Sava River than in the previous period, as well as a slightly higher emission of radioactive tritium. Josip Aralica, assistant director of the nuclear plant, told a news conference today in the Croatian Ministry of Power and Industry that this is normal, considering that it is the end of the fuel cycle before the maintenance work which is due to start on 30 April.

Here is a report by Silva Celebrin Tevsic.

[Tevsic] Journalists' attention at today's news conference centered on the latest claims of the Slovene side concerning the safety of the joint nuclear plant. A Slovene parliamentary commission published the results of an investigation which said that the plant was built without the necessary documentation. There are also a number of irregularities: an unsuitable location was chosen; inferior building materials were used; construction work was below standard; and records were falsified.

The Slovenes claim the plant was built because of political pressure from the nuclear lobby, which was very strong at that time. Josip Aralica agreed that these are serious accusations, and said that the nuclear plant has detailed documentation, and that everything is in accordance with present laws. He added that the project has been approved.

Ivo Valcic, head of nuclear safety in the ministry, said they have not received the official report of the commission, and that for the moment there is no reason to doubt the safety of the plant. They will be able to present their standpoint after a thorough analysis of the arguments presented by the Slovene commission.

Protocol Signed With France on Relations

LD2404170192 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 24 Apr 92

[Excerpts] Jacques Blot, director of the European sector of the French Ministry of Foreign Affairs, and Croatian Assistant Foreign Minister Miomir Zuzul signed a protocol today at the Croatian Foreign Ministry on the establishment of diplomatic relations between France and Croatia. A report by Sendra Posin-Djurin:

[Posin-Djurin] [passage omitted] After the protocol on the establishment of diplomatic relations had been signed, a document on the appointment of the French ambassador to Croatia was signed. As of today, the French Consulate General was proclaimed the French Embassy in the Republic of Croatia, and the French consul general has been appointed charge d'affaires of the embassy, Jacques Blot said.

ICRC Complains of Shelling of Osijek Hospital

LD2704120292 Bern Swiss Radio International in English 1100 GMT 27 Apr 92

[Text] The All-Swiss International Committee of the Red Cross [ICRC] has complained to the presidents of Croatia and the Yugoslav Republic of Serbia following an attack on an ICRC-protected hospital in Croatia. An ICRC statement said the organization's president, Cornelio Sommaruga, made the complaint after the hospital in the city of Osijek was hit by several shells in an artillery attack. The statement said the attack endangered the lives of patients as well as medical staff inside the hospital.

Foreign Minister Rupel Views Regional Cooperation

AU2404184992 Budapest UJ MAGYARORSZAG in Hungarian 18 Apr 92 p 4

["K.L."-signed interview with Slovene Foreign Affairs Minister Dimitrij Rupel; place and date not given: "Cooperation Depends on Democracy"]

[Text] [UJ MAGYARORSZAG] In your capacity as Slovene foreign affairs minister, how do you see the Yugoslavia-conference chaired by Lord Carrington?

[Rupel] From the outset, Slovenia has looked upon the Yugoslavia conference chaired by Lord Carrington as a good opportunity to discuss the so-called "Yugoslav crisis" and to find the best possible solutions in the given situation. From the first moment, it seemed logical for the conference to focus on stopping the war in Croatia and to work out solutions to ensure peace. However, we also hoped from the beginning that other issues like the question of legal succession would also be on the agenda of the first part of the conference. The EC tribunal established that the Yugoslav state did not exist anymore; therefore, in addition to legal succession, the issue of settling the relations of southern Slav states also emerged. If this had been done, then I am certain that the situation had not deteriorated to the point of causing war in the territory of the former SFRY. Nevertheless, the conference provided some conditions to recognize the new reality in the area of the former Yugoslavia and this undoubetdly is a positive result.

[UJ MAGYARORSZAG] How do you see the position of your republic in the European regional and multilateral organizations?

[Rupel] Slovenia was among the first one contributors when regional cooperation as an effort to stop Europe's block division began in Central Europe. Cooperation within the framework of the Alps-Adria and the Central European Cooperation was a stimulus for the expression of principles and values already prevailing in international relations, like openness, free movement, undisturbed telecommunications, human rights, and a constitutional state. All this happened at a time when the Helsinki process did not mean what is does today. I find it natural that the further democratization in Europe will also have a stimulating effect on grouping the close and distant neighbors into regional and sub-regional interest organizations in the future. The current multilateral organizations of European cooperation will continue to be links but, in accordance with the world's expectations, they will not prevent the rearrangement of their own spheres of authority, character, and decision-making mechanisms if necessary and if things develop that way.

[UJ MAGYARORSZAG] What are your views on the possibility and the necessity of renewed cooperation between the former Yugoslav republics?

[Rupel] There is no doubt that cooperation between the former Yugoslav republics—today, sovereign states—is important for all of them. This will take place once the issues of legal succession and distribution of the common property are resolved, on which issues the various republics have different views and interests. Even during the greatest disputes and in actual disadvantageous conditions, the economy found the ways to work together and we also managed to maintain the most basic exchange. When we work out the rules of future economic cooperation, assess the interests and the possible advantages, I believe that the level of cooperation between the former Yugoslav republics will be on at least as high level as between any other European countries.

[UJ MAGYARORSZAG] How do you see bilateral relations and the prospects of relations?

[Ripel] Slovenia and Hungary are good neighbors and our relations are made increasingly firm by cooperation in economic, cultural, and other areas. National minorities are living on both sides of our common border, and they have always helped make relations firmer rather than create discord. The economic structure and the problems of the two countries are so much similar that they, too, can be the driving forces of an even closer cooperation.

JNA Denies UNPROFOR Taking Over Command

LD2404180992 Belgrade TANJUG in English 1624 GMT 24 Apr 92

[Text] Belgrade, April 24 (TANJUG)—The Command of the First Military District of the Yugoslav People's Army (JNA) today denied reports that the JNA would transfer command over Slavonia, Baranja and West Srem to the United Nations Protection Force (UNPROFOR) on April 25.

A statement by the command said that the deployment of the U.N. forces would be completed in this territory by that date, but that the date when they take over command would be determined at the level of the UNPROFOR command.

The deployed JNA units will continue to guarantee the security of the population in this protected area, the statement said.

The media yesterday reported that command would be transferred on April 25, quoting a statement by Novi Sad JNA corps representative, Col. Bora Ivanovic at a press conference in Erdut yesterday.

Federal

New Constitution To Be Adopted 27 Apr

LD2604164992 Belgrade TANJUG in English 1542 GMT 26 Apr 92

[Sanja Pejovic report]

[Text] Belgrade, April 26 (TANJUG)—The constitution of the Federal Republic of Yugoslavia, a joint state of the Yugoslav republics Serbia and Montenegro, will be proclaimed on Monday [27 April] afternoon at a special session of the Yugoslav parliament. At the same time, a new flag without ideological marks will be hoisted to replace the 48-year-old blue-white-red one with a five-point red star in the middle.

The new state aims to secure the continuity of Yugoslavia following the independence bids of four former Yugoslav republics—Slovenia, Croatia, Bosnia-Hercegovina and Macedonia—which requested international recognition late last year.

Slovenia and Croatia were recognized in January, and Bosnia-Hercegovina on April 7. Macedonia has so far been recognized only by Turkey and Bulgaria, while neighbouring Greece has strongly opposed its recognition within the European Community (EC) fearing Macedonian territorial pretensions. Serbia and Montenegro did not request international recognition as they received it at the 1878 Berlin Congress and because they were the only sovereign states, of the current six, to join the new Yugoslavia created after World War One.

The constitution defines the new Yugoslavia as a federal state, made up according to the principle of the division of power and parliamentary democracy, with maximum rights and freedoms of citizens and a market economy. The new state guarantees much broader rights to national minorities than in international documents.

The Yugoslav parliament will tomorrow also adopt a constitutional law for the implementation of the constitution and a law on the convening of elections for the deputies of the new bi-cameral multiparty parliament.

The elections are planned for June 30. A week after the constituting of the new parliament a new president of the state will be elected for a five-year term. A week after coming into office, the president will appoint a federal government. Until the new institutions are set up, the current federal organs will continue their work to ensure the continuity in the functioning of the federal state.

The representatives of Slovenia were the first to walk out of the federal organs last year, to be followed by the representatives from the other breakaway republics, except the Serbs from multinational Bosnia-Hercegovina.

Internal Affairs Secretary on Bosnian Situation

LD2404185392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1038 GMT 24 Apr 92

[Excerpt] Pristina, 24 Apr (TANJUG)—Federal Secretary for Internal Affairs Petar Gracanin paid a working visit to the joint police detachment of the Federal Secretariat of Internal Affairs in Pristina today, a statement says.

In talks with officers of the detachment, according to the Internal Affairs Secretariat statement, Gracanin indicated the most important elements of the present security situation in the country, stressing in particular the seriousness of the conflict gripping the Republic of Bosnia-Hercegovina.

In Kosovo and Metohija, the most important thing from the security point of view is to preserve order and peace, prevent the creation and arming of any kind of paramilitary formations, and ensure the full application and execution of the regulations on the guarding and protecting of Yugoslavia's borders, Gracanin stressed.

The federal secretary for internal affairs said that everything must be done to put a stop to the armed conflicts in Bosnia-Hercegovina because that is the main condition for opening up room to find political solutions to the Bosnia-Hercegovina crisis by peaceful means, and so that the people who have to live there are spared further sacrifices and destruction.

As one of the main reasons for the present situation he stressed the more than tolerant attitude of the Bosnia-Hercegovina authorities toward the Croatian armed formations that have been present and active for many months on the territory of the republic, and whose annexationist aims are clear to any well-intentioned observer.

Gracanin stressed that the Serbian people in Bosnia-Hercegovina have every right to insist on consistent implementation of the agreements reached on the regionalization of the republic, as an important condition for the preservation of their own national identity, in the circumstances that have arisen with the premature international recognition of Bosnia-Hercegovina's independence. According to him, the situation in Bosnia-Hercegovina was also made more difficult by the attitude toward the Yugoslav Perople's Army, which has been consistently portrayed as the army of occupation. According to a scenario seen before, an attempt is being made to push the Army into the barracks and then these isolated enclaves are to be exhausted and thrown out of these territories.

As far as I know, Gracanin stressed, the Army will never again agree to such humiliation. [passage omitted]

UNPROFOR Granted Permission To Use Airspace

LD2404203592 Belgrade TANJUG in English 1309 GMT 23 Apr 92

[Text] Budapest, April 23 (TANJUG)—The Yugoslav and Croatian delegations agreed in Budapest late last night to allow the U.N. Protection Force in Yugoslavia (UNPROFOR) to use the air space over Yugoslavia.

The agreement is to ensure the safe use of the Yugoslav air space to the U.N. troops and will have a very important role for the successful outcome of the U.N. mission. The agreement was requested by the UNPROFOR command so that the U.N. Security Council Resolutions on the deployment of a peace force in Croatia could be implemented as soon as possible.

The air corridor between Belgrade, Sarajevo and Zagreb will also be opened, for which reason the coordination between the flight controls in Belgrade and Zagreb is to be established, the agreement said.

The version of the agreement, proposed by the UNPROFOR, was fully acceptable for the Yugoslav delegation. However, some questions relating to the civil air traffic over the territories to be put under the U.N. protection remained opened since Croatia refused its consent.

Macedonia

Assembly Meets; News on New Currency Expected

LD2604142992 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 26 Apr 92

[Marija Damjanovska report from Skopje]

[Text] As Macedonian Radio has learned, talks between Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, and General Blagoje Adzic and Branko Kostic are under way. Macedonia has been selected as neutral territory for negotiations on the status of the Yugoslav Army in Bosnia-Hercegovina.

The signing of an agreement on the establishment of diplomatic relations between Macedonia and Bosnia-Hercegovina is expected this afternoon. It will take place in the Macedonian Assembly, which will convene this afternoon at the government's request. The agenda will include a package of measures for the stabilization programme and, as we have learned, a decision on the introduction of a Macedonian currency.

A joint session of the committees for finance, budget, economy, economic policy, and development is under way with the attendance of the coordinators of parliamentary groups. The session is being held behind closed doors, but from what has leaked it is completely certain that the exchange of the Yugoslav dinar for a Macedonian currency will start as early as tomorrow and will last for three days. It has also been announced that salaries will be frozen for the rest of the year at their 31 March level.

Government Recognizes Bosnia-Hercegovina

LD2604202192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1943 GMT 26 Apr 92

[Text] Skopje, 26 Apr (TANJUG)—At its session today the government of the Republic of Macedonia passed a decision to recognize the Republic of Bosnia-Hercegovina as an autonomous and independent state. According to a statement issued by the Macedonian Information Ministry, the two governments will soon embark on talks to establish diplomatic relations.

Gligorov Seeks Turkish Support, Diplomatic Ties

TA2604170692 Ankara TRT Television Network in Turkish 1600 GMT 26 Apr 92

[Interview with President Kiro Gligorov by unidentified correspondent in Skopje; date not given—recorded, Turkish translation superimposed on Gligorov remarks]

[Text] [Correspondent] What is your view on the situation on Bosnia-Hercegovina?

[Gligorov] Serbia's attitude might constitute the beginning of another explosion in the Balkans. The nonrecognition of Macedonia or the delay in its recognition is actually increasing the tension in the Balkans. The aggressive policies of Serbia and Greece are endangering peace. One should not delay an intervention here as was the case in Bosnia-Hercegovina. Measures should be taken in advance.

[Correspondent] Mr. Gligorov, you have said that Greece is amassing troops at your border. What kind of measures can you take against an offensive on the part of the Serbians and the Greeks?

[Gligorov] An attack against Macedonia is tantamount to madness. Macedonia is in no position to threaten any of its neighbors. Macedonia is in favor of mutual security in the region. We are seeking a solution through peaceful means. An attack from either the north or the south is meaningless. If such an attack is launched, it will demonstrate the nonsensical policies of Greece and Serbia. Precisely for these reasons we should immediately take deterrent measures against such an attack. If we delay them, everything is lost. Our main goal is to take these measures in time.

Great importance is attached especially to Turkey's attitude toward Macedonia. Turkey's sound approach is appreciated. We expect Turkey to continue its effective policy in the international arena, especially in Europe. Turkey should not make concessions from its principled policy in the Balkans and should do everything in its power to prevent fighting in the Balkans. It should mobilize its friends in international forums in our favor. Now is the time to establish diplomatic relations with Turkey.

Serbia

Jovanovic Presents Government's Reply to EC

AU2404122892 Belgrade Radio Beograd Network in Serbo-Croatian 0930 GMT 24 Apr 92

[Speech by Serbian Foreign Minister Vladislav Jovanovic to the Serbian Assembly in Belgrade—live]

[Text] Esteemed Deputies, Esteemed Mr. President:

We deduced our first impressions about these documents during the preliminary review. The present government's position takes account of the full weight and seriousness of the situation and the positions presented in the CSCE and EC documents, and considers what a country that has found itself in a situation such as Serbia has to, must do, and that is, to adamantly defend its dignity against all attempts at slander and attacks, as well as to affirm its positive stands with regard to several questions raised in these two documents.

As you have already read the document, I would like to draw your attention to several objectives that, in our opinion, are being achieved with this document.

1. We resolutely deny accusations about the supposed aggression by Serbia and its main if not sole responsibility for the present tragic situation in Bosnia-Hercegovina.
2. We draw attention to the responsibility of those who are taking a one-sided approach to the situation in Bosnia-Hercegovina in a way that completely ignores the cornerstone on which this republic was created and exists, which is the principle of full equality of the three constituent ethnic groups. With such simple approaches to the situation and crisis in Bosnia-Hercegovina these forces and circles are objectively encouraging the other sides that are taking part in the fighting and encouraging them to persist in their irreconcilable and discriminatory stands concerning the legitimate rights of the Serbian people in Bosnia-Hercegovina.
3. We continue to be willing and we emphasize our willingness to continue the dialogue with all who want to learn the whole truth and comprehend fully not only the crisis in Bosnia-Hercegovina but also the entire policy of our republics about the Yugoslav crisis. We also remain open for further cooperation with all parties, in Yugoslavia and outside it, with the aim of dispersing these mounting clouds above our heads, and putting things to their right place—that is to say, to discuss all aspects of the Yugoslav crisis, on the basis of the facts and only the facts.
4. We favor an immediate cease-fire and an end to hostilities by all sides, and for the instantaneous urgent resumption of the work of the Conference on Bosnia-Hercegovina. Throughout our document and also otherwise, we have been repeating that our republic is willing to use the whole of its political authority to help realize these agreements and to transfer resolving the entire crisis in Bosnia-Hercegovina from an atmosphere of war to an atmosphere of peace, from clashes and nonrecognition of rights and equality to the principle of equality of the three constitutional ethnic groups which the three ethnic groups have already achieved within the Conference on Bosnia-Hercegovina;
5. We repeat that Serbia has no territorial claims, either toward Bosnia-Hercegovina or toward other republics. Therefore, Serbia's stand on the unity and territorial integrity of Bosnia-Hercegovina cannot be questioned.
6. We would like to recall Serbia's active and cooperative disposition and its full and proven productive cooperation in the peace efforts of the United Nations, as well as in the EC's former political engagement in resolving the Yugoslav crisis. We have demonstrated our activity and cooperativeness in various spheres and everywhere where the individual aspects of the Yugoslav crisis were discussed, and this esteemed house knows this. I will not dwell on it right now. However, I would like to recap the two latest examples. The UN peace plan and the success of Cyrus Vance's [UN Secretary General's envoy] mission would be impossible without the initiatives, activities, and cooperation of our republic. Second, we could no longer talk about contacts and at least some aspects of the cooperation between the torn parts of Yugoslavia, between various Yugoslav republics, today, had our republic not proposed an all embracing plan that envisages a revival of the economic life on the present Yugoslav territory.
7. We repeat that Serbia guarantees protection of the rights of the members of ethnic minorities according to the highest CSCE standards. A transformed Yugoslavia will assume all the obligations that the former Yugoslavia undertook with international agreements and CSCE documents. This is our response to the position in the text that suggests that our republic is allegedly not observing these documents, and that questions our devotion to these documents.
8. We underline that paramilitary formations do not exist in Serbia, that the formation of the latter is not possible under the law and that we guarantee that no armed individuals or groups will cross the Serbian border to other republics.

Studying those two documents and searching for a consensus on the government's stand, we considered the demands, stands, and expectations expressed in the CSCE and EC documents with regard to our republic, the complexity and seriousness of the situation, and the need for our republic to respond in the most adequate manner to all the issues raised in these documents, to those statements that are incontestable as well as to those that are ambiguous, and especially to those that are malevolent and impute lies and sacrifice the truth for aims of other countries and forces in the country, which we know well from their earlier, unfortunately successful, efforts to break up the territorial integrity and unity of Yugoslavia.

In the meantime, between those two documents and the document of our government, intensive political and diplomatic activities were held which considerably helped to mellow and redirect the first blow coming from the CSCE and the EC documents toward a reasonable approach to the problem and not toward the method of raising voices, making threats, and the like.

Let me remind you, in the meantime we established several contacts with influential persons regarding the resolution of the Yugoslav crisis. Lord Carrington [Chairman of the EC Conference on Yugoslavia] and the EC chairman [Joao Deus de Pinheiro] were here. Both of them assessed that they held very useful and productive talks with the president of the republic [Slobodan Milosevic].

Before this, Mr. Cyrus Vance, special envoy of the UN secretary general, was here. After talks with the president of the republic, he also expressed his satisfaction with the talks and degree of accord that was reached on that occasion on the issues discussed, which the president of the republic also confirmed. Yesterday we held long and diverse talks with German Foreign Minister Genscher. We have also contacted several diplomatic and other representatives of the EC and other countries.

In the meantime, a new situation has emerged on the Bosnian scene. First of all, the leader of the Serbian Democratic Party and of the Serbian people in Bosnia-Hercegovina has announced a platform for the talks in the name of the Serbian nation. This platform contains very clear assurances and disarming stands when dealing with the allegations that the Serbian people in this republic are a negative and destabilizing factor or a factor that represents a stepping stone for someone else's aggression. You are probably aware of this, and I would like to remind you of a very significant stand here; namely, it is the Serbian people in Bosnia-Hercegovina who demand and ask that the territories conquered by force not be considered when drawing ethnic maps, which will be the task of the Conference on Bosnia-Hercegovina.

The other important event is that a new cease-fire agreement was reached yesterday in the presence of the leaders of all three constituent ethnic groups. In addition a decision was made to resume shortly the work of the Conference on Bosnia-Hercegovina.

Therefore, during this period there were significant contacts, significant clarifications, significant abatements, and significant clarifications of ambiguities, nervousness, and uncertainties concerning the position of our republic in the Bosnian crisis and the perspectives for further resolving these issues within the CSCE, EC, or perhaps even the UN Security Council.

The idea of isolating and imposing a blockade on Serbia and imposing new measures of revenge has been greatly developed in the press and other media. This information and disinformation was arriving from unofficial sources, and it never went any further. All our findings, which come from competent official sources, do not suggest that such a crossing of the rubicon by the responsible factors involved in the Yugoslav crisis is possible or foreseeable in the period that is before us; primarily because there are no justified reasons for this and also because such a measure, even if there had been justified reasons, would only be productive and assist in the achievement of the aims that the champions of the penal measures have or could have in connection to the Bosnian crisis.

Finally, the isolation of Serbia, if it did take place, would at the same time also mean isolation of the possibility for resolving the Yugoslav crisis. The Yugoslav crisis cannot be resolved adequately at all if the most populous nation, the biggest republic, is excluded from the process of resolving it. At the same time it is impossible to expect that such an imposed solution would be in the interest of peace, security, and prospects for the preservation of the interests of others on Yugoslav territory. Therefore, what we know others know, too. There can be no solution without Serbia, and even less can there be a solution that would go against Serbia and the interests of the Serbian people. Our government, as well as the entire Serbian nation, repeat that they demand no more for themselves, not an iota more of rights, than they grant to other nations that live with us, that is to say, their republics.

Therefore, the position that we assumed and have maintained consistently throughout this time of resolving the crisis is a position that should convince others and put at ease those who believe that some danger for the negotiating process could come from the direction of Serbia. This stand should also remind all of us in our republic that in this great wave of campaigns and pressures, we must retain presence of mind and not surrender easily and unnecessarily to ponderings about some new or even greater negative wave that could wipe us from the scene of resolving the Yugoslav crisis.

In connection with this, we also noted that our opponents in the country and abroad count a lot on there being discord in the Serbian nation and in our republic. This was even said to us from an official place in a very happy tone of voice. This should remind us once again that, at a time in which a nation is passing through such a critical historic time as the Serbian nation now is, there is no cause that could justify the creation and deepening of discord in the Serbian nation or that could question the preservation of the minimal vital, state, and national interests of our republic.

From what I have said, one can conclude two things. First, we continue to find ourselves in a serious and complex situation, the elements and repercussions of which we must constantly watch very carefully and responsibly. Second, this situation should not be fixed in place, it should develop. In the meantime, some new moments have emerged lately, fresher and more positive moments, which suggest that the forces that are giving priority to dialogue and negotiations as a way out of the

current Bosnia-Hercegovina and Yugoslav crisis are prevailing over the forces that advocate pressure, the use of force, and the imposition of a solution as the only possible solution.

On the other hand, the situation, even if it does remain complex and worrying, leaves all options open. The option of talks, negotiations, the use of the existing political frameworks and mechanisms of the Conference on Bosnia-Hercegovina and the Conference on Yugoslavia, and direct contacts and talks is not only open, but its ranges have recently been expanded. We have every reason to believe that even in the coming days, until the upcoming meeting of senior officials of the CSCE this framework and these options of dialogue, reason, justice, and legality will continue to expand and that the scope for the protagonists of force and imposition of solutions, that is to say, punishment of the allegedly uncooperative Serbia, will be narrowed even further.

In the coming period we anticipate that political activities concerning our crisis will become more dynamic. They will be ... [changes thought] I have already said that besides the CSCE meeting, which has not taken place yet, there will be the next EC ministers' meeting that is expected to take place on 2 or 3 May. Bilateral meetings at which the Yugoslav crisis unfortunately remains unavoidable and nearly a regular item on the agenda are also expected.

For these reasons our government adopted this stand that will be immediately sent to those who expect it from us and to several other groups and factions that are interested in resolving the Yugoslav crisis. We believe that the government's stand, which is serious, responsible, balanced, principled, and dignified, will be met with an adequate positive response by everybody and that it will help to resolve the crisis in Bosnia and the general crisis through intensified dialogue and negotiations.

In view of this I would like to appeal to this esteemed house in the name of the government to support the government's stand and in this way also manifest the unity of this parliament and the Serbian nation when such an important moment for our united response to a rather aggressive stand that has been taken toward our republic is in question. Thank you. [applause]

Replies to Deputies' Questions

AU2404170892 Belgrade Radio Beograd Network in Serbo-Croatian 1355 GMT 24 Apr 92

[Speech by Foreign Minister Vladislav Jovanovic at the end of the Assembly session in Belgrade—live]

[Text] Respected deputies, two esteemed deputies have raised two questions, and I am obliged to respond. One concerns whether the CSCE document is an ultimatum or not, and the other concerns whether this document and the ones accompanying it attack the Serbian people or the Serbian authorities.

Regarding the first question, whether this paper is a document or not, excuse me, whether this is an ultimatum or not, there should be no doubt in this respect. It is true that the head of the United States delegation at the CSCE meeting asked for this to be an ultimatum, and his speech took the form of an ultimatum and contained all the formal elements of an ultimatum. However, it is also true that as a whole the CSCE did not accept the proposed formal elements or accept all those suggestions that were contained in that speech.

On the contrary, the document that we received does not contain the formal elements of an ultimatum because it contains claims and calls for the Serbian side and Yugoslav People's Army to act or behave in a certain way, and states that at its next session the CSCE will again discuss the issue of the Yugoslav crisis and the crisis in Bosnia-Hercegovina. It lacks the important element of setting a deadline and citing specific reprisals that would follow if what is specified is not carried out.

Therefore, it is not an ultimatum. It is not by accident that the CSCE has avoided accepting the form and contents of an ultimatum because it thus wanted to basically retain for itself a wider range of possibilities depending on the way the situation develops and on reactions and perhaps on its own subsequent findings as to whether this way and this action is the most suitable and wisest or perhaps whether it is rejected and dismissed, considering the kind of information that is collected and whether it is assessed in the most correct way.

On the other hand, if (?we had) accepted this document as an ultimatum, which has been suggested by the press, which has a natural interest in presenting every new event in the most sensational way, then we would have put ourselves in a subordinate position, and we would have helped the most hard-bitten CSCE members who really are using the language and behavior of ultimatums so that we do their business for them. If this were to happen, it would be neither existentially or politically wise.

Therefore, it was not even necessary for us to put ourselves in this position in advance and to promote the document as something that its authors did not intend.

However, this can all be reduced to a debate on semantics because what is more important is the fact that this is a very serious document with very serious implications, and as such we approached it in a very serious way. Even though we went from point to point and responded precisely to each one in our stands, this was not because we thought that all these points are justified. Most of these claims and points are indisputable, and Serbia and Serbian politicians have never denied them. However, there are points, like Number 6, which are on shaky ground and hang in the air because of their lack of foundation and balance and their pretentiousness and tendentiousness. It was necessary to say precisely what had to be said in this respect.

Regarding the second question on whether this and similar and other documents—since there has been discussion of the EC declaration and some other statements by some states such as the United States and Great Britain—whether this is a question of an attack on the Serbian people or the Serbian authorities, let us recall that two years ago when we formulated a new charter of rights of the CSCE states, everyone, all members, undertook the solemn obligation to respect any government that emerged from multiparty and democratic elections as the only legal and legitimate government and not to try to separate it from the people, since it is the people who will judge at the next elections whether it still enjoys that confidence or not.

The government that we have in Serbia, this party in power, and the authority expressed in the personality of the president of the republic won an impressive majority at the elections, and this is an obvious fact that is more than sufficient to legalize and legitimize it. Even though some countries or some groups of countries would now try to separate the Serbian Government by calling it the Belgrade government or Serbian leaders or something similar, this is behavior that is not in line with this provision of the Paris Charter, and all of us should behave in the same way, otherwise the whole of the CSCE with its regulations and practice will become a jungle in which anything is possible.

Finally, the second argument that shows that this nevertheless involves unequal treatment and consideration of the Serbian people in relation to the other peoples is the approach to this blitzkrieg and this imposition of the will of the majority in the case of Bosnia-Hercegovina. It was more than clear there that this republic was born and existed and can only exist only under conditions of the full equality of all three constitutive peoples. I have already said that this is the foundation stone whose removal would destroy the whole building. Despite this, the Badinter Commission and later the EC and some other countries disregarded equality and ignored the equal rights of the Serbian people and insisted on and tried to impose a majority system, which means that they give privileges the other two peoples to the detriment of the third.

What is this if not insufficient respect for and unequal behavior both toward the Serbian people and the other peoples? Therefore, if we are saying that this policy of pressure is meant to crush the Serbian people in certain areas or try to turn it into an ethnic minority or force it to accept the domination and power of the other peoples with which it lives on the same territory and this is not so, then we are speaking in different languages and let us at least state that our languages are different. Thank you. [applause]

Kostic Accuses EC of Violating 'Democratic Rules'

LD2504161292 Belgrade TANJUG in English 1509 GMT 25 Apr 92

[Text] Novi Sad, April 25 (TANJUG)—Member of the Yugoslav Presidency Jugoslav Kostic said today that Europe would eventually realize that it had violated many democratic rules and made wrong steps in an attempt to resolve the "Yugoslav syndrome." Kostic spoke at a rally of veterans from World War Two and the present Yugoslav war, and citizens of Novi Sad, the capital of Serbia's northern Province of Vojvodina.

Participants in the rally appealed for unity and said that all should raise their voice against the unfounded allegations voiced by the CSCE, Germany and the United States against Serbia and the Yugoslav People's Army. They also called for an end to all armed conflicts and for democratic dialogue in resolving the Yugoslav crisis.

We urge you to do everything in your power to prevent the unscrupulous violation of democratic norms and international law, the participants said in their appeal addressed to all World War Two veterans and the peace-loving international public.

'Modern' Trends for Socialist Party Urged

92BA0791A Belgrade BORBA in Serbo-Croatian 14 Apr 92 p 11

[Article by S. Milivojevic: "For Whom Does the Bell Toll?"]

[Text] What is happening within the leadership of the Socialist Party of Serbia [SPS] at a moment when the incumbent party in Serbia—aside from the process already begun of rearranging the Serbian space in what until now was Yugoslavia—also faces its first test before the "commission" of the entire nationality in the federal and local elections, which have already been announced?

This question becomes particularly relevant when even a party that keeps its own "small secrets" to perfection is not managing to conceal the fact that even within it there are more and more people dissatisfied along several lines of party life. These days, those mentioned most frequently on the "list of the dissatisfied"—strange as it may seem—are two party activists whose practical contribution to "extinguishing" the former League of Communists of Serbia and the birth of the SPS is not negligible. Goran Trivan, a forestry engineer and minister for youth and athletics (from the period of last year's 9 March), a man who after his unsuccessful "episode" as a minister returned to party work, has even—according to sources close to the SPS parliamentary caucus—dared to seek the resignation of the party's president, Dr. Borisav Jovic?!

Trouble With Reconciliation

Nor does even Snezana Aleksic, who formerly was an "antibureaucratic" fighter in the city committee and recently one of the first ladies in the Women's Movement for Yugoslavia—have any promising future to look forward to in a party which even most officially is announcing democratic reorganization. Especially because in the building of the former League of Communists one can hear more and more frequently that

Snezana's spirit is in the League of Communists—Movement for Yugoslavia [SK-PzJ] anyway."

These two examples, taken by the random sample method, might lead to the conclusion that even the incumbent SPS is not immune to the children's illnesses of factionalism, just like certain opposition parties. However, any very serious differences (Dr. Rados Smiljkovic refers to it as democracy within the party) probably have a different background. It is above all a question of certain obvious examples of failure to respect their own party program, which happens to have been decided in the 1990 elections. Thus, quite often the Main Committee and parliamentary caucus have quite a bit of trouble reconciling certain views concerning the vital questions as to Serbia's future.

That is the case, for example, with privatization of the public sector, with nationalization of a large number of the public services and the richest production resources, so that there are times when someone like Oskar Kovac in the SPS represents more opposition to the economic conceptions of the government than any of the opposition deputies. Perhaps the mood of a sizable portion of members of the Main Committee is most aptly expressed by Aleksandar Prlja's statement to the effect that he joined the SPS because he is a Socialist of (social-) democratic persuasion and because he "supported the movement around Slobodan Milosevic."

There is no dispute that in the SPS there is the greatest agreement at the level of the interests of the state and national interests. But there is also evidence that even here agreement is not complete in the fact that the idea of an independent Serbia (instead of Yugoslavia at any price) came precisely from the ranks closest to the top of the party. In that light (within the party this is referred to mainly in whispers), it is obvious that the "Sumadija wing"—to give it a name—in the party leadership is not satisfied with the redistribution of personnel at the top level of government.

Bjeletic, for Example

The penultimate changes in the news program of Belgrade Television showed what this looks like in an actual case. When there was the dispute between the Serbian national priority and the priority of the state—the "Kosovo option" (Dragoljub Milanovic) won out over the "krajina" option (Krste Bijelic). A still more drastic indicator of these "slaps" and "counterslaps" are the recent radio-TV elections, which brought about a most direct confrontation between people like Dobrica Cosic and Antonije Isakovic (to be sure, not party members) against Dr. Vojislav Micovic, former head of Radio Belgrade, thought to be someone who could not be got the better of. But still more interesting than this is the prehistory of the "incident" itself: Before that, Velimir Lukic and Cedomir Mirkovic (also Socialists), former directors of Television, "fell out of the car," because they touched upon the "person and work" of the embodiment of the "hard SPS line" in the Serbian news industry—that of Dr. Dobrosav Bjeletic.

Because it is also being said that Dr. Vladimir Stambuk (one of the key people in the party) has offered his resignation—can the (bold) conclusion be drawn that there are "fit" and "unfit" Socialists? If one is to believe the conclusions of the last session of the Main Committee (rejuvenation of the party is one of the most urgent tasks), the answer would be negative, because both are still "in the game," but within three months (before the election) one of the two opposed options (the one that is declaratively in favor of changes and the one which would even in practical terms change the clothes of the SPS, which have now become too tight)—one ought to prevail. As the balance of power stands at the moment, the "bell" will toll first for the perpetual party hacks and perpetual politicians.